

Semi-Annual Report 2007

Pinnacle Program Funds

The Pinnacle Portfolios

Pinnacle Program Funds

Money Market Fund

Pinnacle Short Term Income Fund

Bond Funds

Pinnacle Income Fund

Pinnacle High Yield Income Fund

Pinnacle American Core-Plus Bond Fund

Real Estate Fund

Pinnacle Global Real Estate Securities Fund

Balanced Fund

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Canadian Equity Funds

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Foreign Equity Funds

Pinnacle American Value Equity Fund

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Pinnacle International Equity Fund

Pinnacle International Small to Mid Cap Value Equity Fund

Pinnacle Global Equity Fund

The Pinnacle Portfolios

Pinnacle Balanced Income Portfolio

Pinnacle Conservative Balanced Growth Portfolio

Pinnacle Balanced Growth Portfolio

Pinnacle Conservative Growth Portfolio

Pinnacle Growth Portfolio

For more than 75 years, ScotiaMcLeod has been providing professional service and expert investment advice to Canadians. In today's complex financial markets, that service and advice is more important than ever. At ScotiaMcLeod, we offer our clients the best of both worlds – the strength and security of one of Canada's largest financial institutions; and the insight and personal attention of our well-respected advisors.

Pinnacle Program Funds and The Pinnacle Portfolios 2007 Semi-Annual Report

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Message to Clients

Robust economic growth combined with relatively stable inflation, heightened merger and acquisition activity and strong monetary growth fueled markets throughout much of the first half of 2007. Stocks enjoyed healthy returns, with some indices reaching record highs, bolstered by strong positive earnings reports as well as by leveraged buyout activity.

In contrast, the bond market sold off in May and June and longer-term global interest rates increased, as investors demanded higher risk premiums in the face of increased uncertainty. This had an immediate effect on equity markets, which retreated from their initial quarter highs. The Canadian dollar rose to end near 94 cents (US) and oil approached \$70 per barrel at the end of June. Both were contributing factors in the Canadian equity market's rise while the surging Canadian dollar negated foreign equity returns when converted back into Canadian currency.

Despite a relatively positive outlook for most equity markets, 2007 may not conclude without some degree of volatility. While no one can foresee which path the markets will take, what we do know is that maintaining an investment process that is both repeatable and disciplined will be key to long-term investment success.

Engraved in the Pinnacle Program and the Pinnacle Portfolios is a highly disciplined investment process that is designed to minimize the risk and volatility of your portfolio. Key steps in this process include the construction and monitoring of a portfolio that is designed to provide multi-level diversification by asset class, market capitalization, country and money manager. It then continues with portfolio reviews and rebalancing to help you move closer to achieving your long-term financial goals.

Additionally, the Pinnacle Program leverages a team of internal and external specialists with the shared objective of ensuring your portfolio is appropriately invested in the face of constantly changing market conditions. This team of experts includes your ScotiaMcLeod advisor, a select group of leading money managers from around the world, whose expertise is typically only available to institutional investors, and Northern Trust Global Advisors, a leading third-party investment management consultant. The resulting benefits mean freedom from ongoing day-to-day "market watching" and the comfort of knowing that your portfolio is being optimally managed to increase potential returns while mitigating risk.

We thank you for your continued support of the Pinnacle Program and the Pinnacle Portfolios. Recognizing that you have many choices when deciding where to invest, we are pleased that you have given us the opportunity to help you achieve your long-term investment goals and objectives.

We wish you all the best for a successful second half of 2007.

Best regards,



Hamish Angus
Managing Director
ScotiaMcLeod

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)
\$ 600,000	Bank of Montreal BDN 4.52%	09/24/2007	593,684
300,000	Canadian Imperial Bank of Commerce BA 4.22%	08/13/2007	298,483
145,000	Caterpillar Financial Services Ltd. DN 4.17%	08/03/2007	144,439
200,000	Caterpillar Financial Services Ltd. DN 4.25%	08/14/2007	198,958
100,000	Citibank Canada BDN 4.13%	07/25/2007	99,718
100,000	Citibank Canada BDN 4.26%	09/04/2007	99,236
200,000	Citigroup Finance Canada Inc. DN 4.14%	07/19/2007	199,570
210,000	Citigroup Finance Canada Inc. DN 4.50%	09/21/2007	207,873
300,000	Enbridge Inc. DN 4.07%	07/17/2007	299,433
285,000	EnCana Corporation DN 4.15%	07/25/2007	284,191
2,600,000	Farm Credit Corporation DN 4.41%	09/28/2007	2,572,029
100,000	GE Capital Canada Funding Company DN 4.17%	08/01/2007	99,635
400,000	GE Capital Canada Funding Company DN 4.21%	08/07/2007	398,255
100,000	GE Capital Canada Funding Company DN 4.55%	10/01/2007	98,854
300,000	Goldman Sachs Canada DN 4.10%	07/18/2007	299,395
100,000	Honda Canada Finance Inc. DN 4.32%	08/29/2007	99,295
200,000	Honda Canada Finance Inc. DN 4.43%	09/18/2007	198,075
200,000	National Bank of Canada BA 4.41%	09/12/2007	198,227
200,000	Nova Scotia Power Inc. CP 4.22%	08/07/2007	199,126
100,000	OMERS Realty Corporation CP 4.13%	07/24/2007	99,729
250,000	OMERS Realty Corporation CP 4.52%	09/20/2007	247,489
1,400,000	Province of Alberta Treasury Bill BDN 4.02%	07/23/2007	1,396,467
200,000	Province of British Columbia Treasury Bill PN 4.08%	08/03/2007	199,243
300,000	Province of British Columbia Treasury Bill PN 4.08%	09/05/2007	297,768
495,000	Province of British Columbia Treasury Bill PN 4.14%	10/01/2007	489,835
1,340,000	Province of Newfoundland Treasury Bill DN 4.24%	08/30/2007	1,330,564
600,000	Province of Ontario Treasury Bill DN 4.09%	08/07/2007	597,453
430,000	Royal Bank of Canada BA 4.19%	08/08/2007	428,085
100,000	Royal Bank of Canada BA 4.49%	09/25/2007	98,940
200,000	Terasen Gas Inc. CP 3.45%	07/05/2007	199,906
200,000	The Toronto-Dominion Bank BA 4.25%	08/24/2007	198,729
200,000	The Toronto-Dominion Bank BA 4.43%	09/18/2007	198,078
200,000	The Toronto-Dominion Bank BA 4.45%	09/20/2007	198,020
300,000	Wells Fargo Financial Canada Corporation CP 4.20%	08/08/2007	298,660
100,000	Woodbridge Finance Corporation DN 3.88%	07/10/2007	99,894
	Total Investment Portfolio (97.1%)		12,967,334
	Other Assets, Less Liabilities (2.9%)		387,301
	Total Net Assets (100.0%)		13,354,635
	Net Assets Per Unit		\$10.00

BA – Banker's Acceptance
BDN – Banker's Deposit Note
CP – Commercial Paper
DN – Deposit Note
PN – Promissory Note

Pinnacle Short Term Income Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$12,967,334	\$10,870,315
Cash	85,666	104,096
Subscriptions receivable	316,833	27
Accrued investment income	17,182	28,109
	<u>13,387,015</u>	<u>11,002,547</u>
Liabilities		
Redemptions payable	–	21,582
Distributions payable	742	6,164
Accrued expenses	31,638	33,763
	<u>32,380</u>	<u>61,509</u>
Net assets representing unitholders' equity	<u>\$13,354,635</u>	<u>\$10,941,038</u>
Number of units outstanding	<u>1,335,455</u>	<u>1,094,096</u>
Net assets per unit	<u>\$ 10.00</u>	<u>\$ 10.00</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$227,963	\$270,825
Securities lending income	36	85
	<u>227,999</u>	<u>270,910</u>
Expenses		
Legal fees	1,108	–
Audit fees	5,879	4,822
Custody fees	1,369	248
Interest	–	170
Filing fees	8,626	8,568
Unitholder reporting costs	7,154	5,772
Unitholder administration, service fees and GST	21,938	21,374
	<u>46,074</u>	<u>40,954</u>
Rebated and absorbed expenses	(17,182)	(1,400)
Net expenses	<u>28,892</u>	<u>39,554</u>
Net investment income (loss)	<u>199,107</u>	<u>231,356</u>
Increase (Decrease) in Net Assets from Operations	<u>\$199,107</u>	<u>\$231,356</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.19</u>	<u>\$ 0.15</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$10,941,038	\$18,504,165
Increase (decrease) in net assets from operations	199,107	231,356
Distributions to unitholders		
Investment income	(199,107)	(231,356)
	<u>10,941,038</u>	<u>18,504,165</u>
Unit Transactions:		
Proceeds from issue	6,135,593	7,232,316
Reinvested distributions	196,919	229,121
Payments on redemption	(3,918,915)	(9,444,476)
	<u>2,413,597</u>	<u>(1,983,039)</u>
Increase (decrease) in net assets	<u>2,413,597</u>	<u>(1,983,039)</u>
Net Assets, End of Period	<u>\$13,354,635</u>	<u>\$16,521,126</u>

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
Federal Government (60.2%)					400,000	Shoppers Drug Mart Corporation 4.97%	10/24/2008	399,964	400,006
\$23,000,000	Government of Canada 3.75%	06/01/2009	22,645,022	22,652,700	1,400,000	TCHC Issuer Trust 4.88%	05/11/2037	1,400,000	1,342,064
60,000,000	Government of Canada 4.00%	06/01/2016	57,119,300	57,612,000	900,000	TD Capital Trust 7.60%	12/29/2049	948,885	954,261
47,050,000	Government of Canada 4.25%	12/01/2008	47,071,565	46,808,235	5,491,000	The Greater Toronto Airports Authority 6.45%	12/03/2027	6,053,512	6,082,301
15,375,000	Government of Canada 5.25%	06/01/2012	16,419,171	15,839,104	2,658,425	The Greater Toronto Airports Authority 6.45%	07/30/2029	2,540,543	2,897,565
7,775,000	Government of Canada 5.50%	06/01/2009	8,184,561	7,903,889	1,600,000	The Greater Toronto Airports Authority 6.47%	02/02/2034	1,916,197	1,795,876
33,265,000	Government of Canada 5.75%	06/01/2033	40,951,167	39,675,166	1,096,006	Toronto Hospital 5.64%	12/08/2022	1,078,621	1,146,735
			192,390,786	190,491,094	700,000	TransCanada PipeLines Limited 7.90%	04/15/2027	734,489	876,299
Provincial Government (17.0%)					300,000	TransCanada PipeLines Limited 8.21%	04/25/2030	366,030	392,591
35,000,000	Province of Ontario 4.38%	10/01/2008	35,059,200	35,042,000	883,000	Union Gas Ltd. 10.75%	07/31/2009	1,097,450	894,385
4,150,000	Province of Ontario 5.60%	06/02/2035	4,551,377	4,565,903	1,000,000	York Region District School Board 6.55%	04/12/2023	995,850	1,157,791
12,670,000	Province of Quebec 5.75%	12/01/2036	14,245,694	14,073,598				52,906,896	54,289,078
			53,856,271	53,681,501	Short-Term Notes (Schedule 1) (4.9%)				
Corporate (17.2%)								15,461,944	15,461,944
200,000	1st Street Tower 7.77%	09/05/2021	199,998	234,086	Total Investment Portfolio (99.3%)				
300,000	407 International Inc. 5.96%	12/03/2035	299,790	323,766				314,615,897	313,923,617
303,000	Alliance Pipeline LP 5.55%	12/31/2023	303,000	310,368	Other Assets, Less Liabilities (0.7%)				
1,238,718	Alliance Pipeline LP 7.22%	12/31/2025	1,238,718	1,440,209					2,373,717
549,770	Blue Water Bridge Authority 6.41%	07/09/2027	549,770	548,551	Total Net Assets (100.0%)				
1,100,000	British Columbia Ferry Services Inc. 5.02%	03/20/2037	1,100,000	1,032,306				316,297,334	
860,000	British Columbia Ferry Services Inc. 5.74%	05/27/2014	875,033	894,646	Net Assets Per Unit				
800,000	Canadian Tire Receivables Trust 4.67%	11/20/2009	800,000	790,982					\$10.43
1,022,000	Electricity Distributors Financial Corp. 6.45%	08/15/2012	1,052,743	1,079,320	Schedule 1 Short-Term Notes				
170,000	Enbridge Inc. 3.95%	02/15/2010	167,484	165,540	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
1,200,000	Enbridge Inc. 7.20%	06/18/2032	1,218,300	1,344,633	\$6,140,000	Government of Canada Treasury Bills 4.18%	08/23/2007	6,102,263	6,102,263
200,000	Enbridge Inc. 7.22%	07/24/2030	245,800	223,767	9,450,000	Government of Canada Treasury Bills 4.30%	09/20/2007	9,359,681	9,359,681
1,500,000	FortisAlberta Inc. 5.33%	10/31/2014	1,499,400	1,524,411	Total Short-Term Notes				
1,800,000	HSBC Canada Asset Trust 7.78%	12/31/2049	1,800,000	1,953,391				15,461,944	15,461,944
500,000	Investors Group Inc. 6.58%	03/07/2018	501,985	547,430					
1,000,000	Loblaw Companies Limited 7.10%	06/01/2016	1,004,400	1,096,074					
3,300,352	Merrill Lynch Financial Assets, Inc. 6.67%	05/07/2021	3,457,875	3,443,804					
864,753	Merrill Lynch Mortgage Loans, Inc. 7.37%	05/10/2022	971,723	941,063					
767,728	Milit-Air Inc. 5.75%	06/30/2019	831,964	802,480					
900,000	N 45 Degrees First Issuer Corporation 5.67%	11/15/2020	917,796	921,897					
900,000	N 45 Degrees First Issuer Corporation 7.34%	07/15/2015	967,630	946,818					
2,032,635	New Brunswick FM Project Inc. 6.47%	11/30/2027	1,970,904	2,259,822					
429,000	NOVA Gas Transmission Ltd. 11.20%	06/01/2014	580,008	544,338					
544,000	NOVA Gas Transmission Ltd. 11.70%	10/15/2008	705,568	580,704					
498,000	NOVA Gas Transmission Ltd. 11.95%	10/01/2007	619,512	507,966					
1,400,000	Ontario Infrastructure Projects Corp. 4.70%	06/01/2037	1,401,862	1,330,018					
744,198	Ontario School Boards Financing Corp. 5.80%	11/07/2028	741,638	786,957					
1,462,502	Ontario School Boards Financing Corp. 5.90%	10/11/2027	1,478,102	1,558,948					
1,000,000	Ontario School Boards Financing Corp. 6.30%	09/22/2010	996,410	1,043,149					
2,055,931	Ontario School Boards Financing Corp. 6.55%	10/19/2026	2,047,049	2,306,876					
4,155,948	Ontario School Boards Financing Corp. 7.20%	06/09/2025	4,830,893	4,864,884					

Portfolio Advisor: Fiera YMG Capital Inc.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

Pinnacle Income Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$313,923,617	\$251,873,584
Cash	–	9,879
Subscriptions receivable	884,953	1,583,172
Receivable for securities sold	–	5,296,436
Accrued investment income	1,838,549	1,352,022
	<u>316,647,119</u>	<u>260,115,093</u>
Liabilities		
Bank overdraft	5,617	–
Payable for securities purchased	–	3,091,652
Redemptions payable	301,505	358,033
Accrued expenses	42,663	39,830
	<u>349,785</u>	<u>3,489,515</u>
Net assets representing unitholders' equity	<u>\$316,297,334</u>	<u>\$256,625,578</u>
Number of units outstanding	<u>30,331,033</u>	<u>23,981,579</u>
Net assets per unit	<u>\$ 10.43</u>	<u>\$ 10.70</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$ 6,741,500	\$ 4,388,597
Securities lending income	16,874	15,350
	<u>6,758,374</u>	<u>4,403,947</u>
Expenses		
Legal fees	1,108	–
Audit fees	6,498	4,822
Custody fees	17,190	12,149
Filing fees	6,643	6,456
Unitholder reporting costs	24,869	15,198
Unitholder administration, service fees and GST	63,432	52,947
	<u>119,740</u>	<u>91,572</u>
Net investment income (loss)	<u>6,638,634</u>	<u>4,312,375</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	(3,535,404)	(312,409)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(4,175,390)	(7,512,972)
Net gain (loss) on investments	<u>(7,710,794)</u>	<u>(7,825,381)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ (1,072,160)</u>	<u>\$ (3,513,006)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.04)</u>	<u>\$ (0.19)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$256,625,578	\$174,625,061
New accounting policy adjustment (Note 2)	(81,968)	–
Increase (decrease) in net assets from operations	(1,072,160)	(3,513,007)
Distributions to unitholders Investment income	(7,027,639)	(4,602,342)
	<u>248,443,811</u>	<u>166,509,712</u>
Unit Transactions:		
Proceeds from issue	85,860,222	53,929,653
Reinvested distributions	7,007,660	4,587,476
Payments on redemption	(25,014,359)	(14,421,499)
	<u>67,853,523</u>	<u>44,095,630</u>
Increase (decrease) in net assets	<u>59,671,756</u>	<u>35,980,281</u>
Net Assets, End of Period	<u>\$316,297,334</u>	<u>\$210,605,342</u>

Pinnacle High Yield Income Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
*Bonds (90.6%)					2,500,000	NIF-T 4.29%	09/17/2008	2,500,000	2,468,226
Federal Government (6.7%)					1,650,000	Norske Skog Canada Limited 7.38%	03/01/2014	2,117,695	1,579,372
\$9,000,000	Government of Canada 4.00%	06/01/2016	8,764,200	8,641,800	500,000	Norske Skog Canada Limited 8.63%	06/15/2011	555,912	515,157
1,750,000	Government of Canada 5.75%	06/01/2029	2,114,000	2,047,119	1,400,000	North American Energy Partners Inc. 8.75%	12/01/2011	1,620,035	1,500,138
			<u>10,878,200</u>	<u>10,688,919</u>	780,000	NOVA Chemicals Corporation 6.50%	01/15/2012	851,204	775,647
Corporate (83.9%)					1,300,000	Paragon Gaming 12.50%	04/15/2012	1,300,000	1,300,000
1,050,000	Abitibi-Consolidated Inc. 6.95%	04/01/2008	1,169,490	1,105,561	2,040,000	Paramount Resources Ltd. 8.50%	01/31/2013	2,470,276	2,229,308
2,100,000	Abitibi-Consolidated Inc. 8.38%	04/01/2015	2,369,860	1,954,274	1,000,000	Peabody Energy Corporation 6.88%	03/15/2013	1,142,699	1,058,233
3,000,000	Ahern Rentals Inc. 9.25%	08/15/2013	3,616,484	3,190,651	1,975,000	Pogo Producing Company 6.63%	03/15/2015	2,216,772	2,079,507
3,000,000	Allied Waste North America Inc. 7.25%	03/15/2015	3,398,560	3,158,744	1,065,000	Pope & Talbot, Inc. 8.38%	06/01/2013	1,269,411	880,659
1,000,000	Amscan Holdings, Inc. 8.75%	05/01/2014	1,164,240	1,063,550	1,700,000	Rogers Wireless Communications Inc. 6.38%	03/01/2014	2,293,970	1,817,076
2,820,000	Avenor Inc. 10.85%	11/30/2014	3,134,840	3,102,000	2,500,000	RONA Inc. 5.40%	10/20/2016	2,494,800	2,370,889
785,411	BCE Place Ltd. 7.07%	10/08/2007	799,454	789,118	652,000	Sealy Mattress Co. 8.25%	06/15/2014	801,435	709,037
1,000,000	Bell Aliant Regional Communications LP 6.17%	02/26/2037	1,003,790	850,801	1,000,000	Shaw Communications, Inc. 6.15%	05/09/2016	944,500	973,492
2,000,000	Bombardier Inc. 7.35%	12/22/2026	2,025,000	1,980,000	1,500,000	Sobeys Inc. 7.16%	02/26/2018	1,673,535	1,593,045
3,000,000	Brookfield Power 5.25%	11/05/2018	2,998,920	2,864,563	202,275	SR Telecom Inc. 1.00%	10/01/2020	216,454	215,129
1,000,000	Brookfield Power 5.45%	12/18/2017	1,157,300	1,063,550	867,302	SR Telecom Inc. 19.42%	10/01/2011	1,052,698	922,419
2,925,000	Canadian Tire Corporation, Limited 5.61%	09/04/2035	2,737,286	2,707,001	2,000,000	STEERS Thayer Gate CDO Trust 5.13%	06/20/2013	1,925,380	1,970,000
3,900,000	CanWest Media Inc. 8.00%	09/15/2012	4,457,903	4,127,107	2,000,000	STEERS Thayer Gate CDO Trust 7.52%	06/20/2013	1,997,520	2,000,000
2,200,000	CanWest MediaWorks Inc. 9.25%	08/01/2015	2,338,050	2,339,811	5,000,000	Sun Life Financial Inc. 4.95%	06/01/2036	5,100,000	4,894,834
2,000,000	Cascades Inc. 7.25%	02/15/2013	2,244,631	2,079,241	1,500,000	Superior Plus Income Fund 5.75%	12/31/2012	1,500,000	1,440,750
253,000	Charter Communications Holdings LLC 10.00%	05/15/2014	218,051	248,225	860,000	Talisman Energy Inc. 4.44%	01/27/2011	859,923	840,951
1,105,000	Charter Communications Holdings LLC 11.00%	10/01/2015	1,261,538	1,222,232	700,000	Tekni-Plex Inc. 12.75%	06/15/2010	936,033	662,592
2,390,000	CHC Helicopter Corporation 7.38%	05/01/2014	2,948,719	2,427,500	1,550,000	Tembec Industries, Inc. 8.50%	02/01/2011	1,602,219	873,707
2,240,000	Chesapeake Energy Corporation 6.38%	06/15/2015	2,562,831	2,269,191	900,000	The Bear Stearns Companies Inc. 3.22%	06/30/2008	900,036	900,864
1,500,000	Couche-Tard U.S. LP 7.50%	12/15/2013	1,859,216	1,607,290	1,400,000	Trump Entertainment Resorts, Inc. 8.50%	06/01/2015	1,642,645	1,481,526
2,250,000	Dole Food Company, Inc. 7.25%	06/15/2010	2,813,138	2,297,269	2,350,000	Video Cable Systems Inc. 8.15%	04/26/2010	2,378,676	2,555,625
200,000	Domtar Inc. 10.85%	08/05/2017	223,000	231,439	2,500,000	Wynn Las Vegas LLC 6.63%	12/01/2014	2,872,766	2,565,815
1,000,000	Domtar Inc. 7.13%	08/15/2015	1,210,937	1,039,620	1,500,000	YPG Holdings Inc. 5.50%	08/01/2011	1,500,000	1,479,000
750,000	Domtar Inc. 9.50%	08/01/2016	838,353	869,452	4,000,000	YPG Holdings Inc. 5.85%	11/18/2019	3,865,000	3,679,537
1,925,000	EchoStar DBS Corporation 6.38%	10/01/2011	2,397,208	2,006,388				<u>146,190,900</u>	<u>135,095,549</u>
3,000,000	El Paso Corporation 6.88%	06/15/2014	3,189,369	3,174,698					
950,000	Enbridge Income Fund 5.25%	12/22/2014	949,924	939,027					
1,500,000	ERAC Canada Finance Ltd. 5.38%	02/26/2016	1,498,980	1,471,990					
3,470,000	Fairfax Financial Holdings Limited 7.38%	04/15/2018	3,741,100	3,533,672					
4,000,000	Ford Floorplan Auto Securitization Trust 4.58%	11/15/2009	4,000,000	3,959,122					
1,900,000	Husky Energy Inc. 6.15%	06/15/2019	2,115,567	2,004,693					
1,100,000	InSight Health Services Corp. 9.88%	11/01/2011	1,379,252	374,370					
2,000,000	Iron Mountain Incorporated 7.50%	03/15/2017	2,000,000	1,960,000					
2,700,000	Kimco North Trust III 5.18%	08/16/2013	2,692,629	2,663,728					
700,000	Kingsway America Inc. 7.50%	02/01/2014	902,563	746,910					
2,000,000	Las Vegas Sands Corp. 6.38%	02/15/2015	2,167,762	2,026,063					
2,800,000	Lindsey Morden Group Inc. 7.00%	06/16/2008	1,922,500	2,660,000					
1,000,000	Mariner Energy Inc. 8.00%	05/15/2017	1,119,939	1,055,574					
2,080,000	Masonite International Corporation 11.00%	04/06/2015	2,372,414	2,002,027					
2,940,000	Massey Energy Company 6.88%	12/15/2013	3,413,331	2,857,148					
3,000,000	Merrill Lynch & Co., Inc. 4.50%	01/30/2012	2,997,330	2,908,405					
1,000,000	Merrill Lynch Financial Assets, Inc. 6.45%	10/12/2013	952,460	1,036,961					
599,000	Merrill Lynch Financial Assets, Inc. 6.45%	11/12/2014	527,959	606,857					
500,000	Merrill Lynch Financial Assets, Inc. 6.65%	11/12/2034	492,950	517,942					
4,000,000	Millar Western Forest Products Ltd. 7.75%	11/15/2013	4,204,478	3,669,249					

* Corporate bonds are comprised of 56% U.S. denominated bonds and 44% Canadian denominated bonds.

Portfolio Advisor: Guardian Capital LP

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle High Yield Income Fund (Unaudited – Continued)

Statement of Investment Portfolio as at
June 30, 2007

Schedule 1
Short-Term Notes

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$ 400,000	Caterpillar Financial Services Ltd. 4.16%	07/20/2007	399,091	399,091
4,200,000	Citigroup Finance Canada Inc. 3.98%	07/12/2007	4,194,507	4,194,507
550,000	Enbridge Inc. 4.93%	07/13/2007	583,594	583,927
200,000	EnCana Corporation 3.85%	07/09/2007	199,810	199,810
2,150,000	EnCana Corporation 4.22%	07/25/2007	2,143,805	2,143,805
2,400,000	Nova Scotia Power Corporation 3.92%	07/10/2007	2,397,423	2,397,423
1,500,000	Nova Scotia Power Corporation 4.00%	07/12/2007	1,498,031	1,498,031
Total Short-Term Notes			11,416,261	11,416,594

Schedule 2
Foreign Currency Forward Contracts Value

Contracts	Pay	Receive	Due Date	Credit Rating(1)	Market Value (\$)
1	18,547,771 Canadian \$	17,360,000 U.S. Dollar	07/05/2007	AA-	(87,301)
1	18,100,000 U.S. \$	20,876,178 Canadian Dollar	07/05/2007	AA-	1,628,798
1	7,975,000 U.S. \$	9,166,625 Canadian Dollar	07/10/2007	AA-	687,137
1	3,745,000 U.S. \$	3,980,448 Canadian Dollar	07/10/2007	AA-	(1,455)
1	1,395,000 U.S. \$	1,516,365 Canadian Dollar	08/22/2007	AA	34,691
1	1,400,000 U.S. \$	1,521,800 Canadian Dollar	08/22/2007	AA	34,816
1	2,575,000 U.S. \$	2,716,368 Canadian Dollar	09/05/2007	AA	(17,816)
Total Foreign Currency Forward Contracts Value					2,278,870

(1) Credit rating refers to the credit worthiness of the counterparty, not the contract

Credit Rating Breakdown	% of Bond Portfolio	% of Total Net Assets
A- to AAA+	18.4%	16.6%
B- to BBB+	67.2%	60.8%
C- to CCC+	8.8%	8.0%
D- to DDD+	0.3%	0.2%
NR or other	5.4%	4.9%
	100.0%	96.1%

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$158,236,005	\$142,611,967
Cash	115,408	30,754
Receivable on open forward contracts	2,278,870	–
Subscriptions receivable	843,902	1,163,172
Accrued investment income	2,045,483	1,884,248
	<u>163,519,668</u>	<u>145,690,141</u>
Liabilities		
Payable on open forward contracts	–	458,082
Payable for securities purchased	2,339,811	–
Redemptions payable	129,842	356,306
Accrued expenses	47,815	42,030
	<u>2,517,468</u>	<u>856,418</u>
Net assets representing unitholders' equity	<u>\$161,002,200</u>	<u>\$144,833,723</u>
Number of units outstanding	<u>16,582,895</u>	<u>14,297,457</u>
Net assets per unit	<u>\$ 9.71</u>	<u>\$ 10.13</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
Net Assets, Beginning of Period	\$144,833,723	\$110,895,635
New accounting policy adjustment (note 2)	(522,198)	–
Increase (decrease) in net assets from operations	(1,000,925)	2,315,336
Distributions to unitholders Investment income	(5,625,231)	(4,048,030)
	<u>137,685,369</u>	<u>109,162,941</u>
Unit Transactions:		
Proceeds from issue	35,883,777	22,017,859
Reinvested distributions	5,609,604	4,038,412
Payments on redemption	(18,176,550)	(11,800,150)
	<u>23,316,831</u>	<u>14,256,121</u>
Increase (decrease) in net assets	<u>16,168,477</u>	<u>12,523,427</u>
Net Assets, End of Period	<u>\$161,002,200</u>	<u>\$123,419,062</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ (708)	\$ 88,045
Interest	5,391,228	3,768,584
Securities lending income	148	770
	<u>5,390,668</u>	<u>3,857,399</u>
Expenses		
Legal fees	1,108	–
Audit fees	6,498	4,822
Custody fees	16,023	8,281
Interest	–	1,040
Filing fees	6,643	6,456
Unitholder reporting costs	24,633	14,580
Unitholder administration, service fees and GST	61,458	51,322
	<u>116,363</u>	<u>86,501</u>
Net investment income (loss)	<u>5,274,305</u>	<u>3,770,898</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	114,600	150,393
Net realized gain (loss) on foreign exchange	453,036	1,813,652
Increase (decrease) in unrealized appreciation (depreciation) of investments	(9,501,136)	(3,357,738)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	2,658,270	(61,869)
Net gain (loss) on investments	<u>(6,275,230)</u>	<u>(1,455,562)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$(1,000,925)</u>	<u>\$ 2,315,336</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.06)</u>	<u>\$ 0.20</u>

Pinnacle American Core-Plus Bond Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
	Bonds (93.8%)				40,000	Bowater Incorporated 9.50%	10/15/2012	51,337	42,436
	Corporate (51.9%)				45,000	Carrols Corporation 9.00%	01/15/2013	51,885	47,620
\$ 10,000	Accuride Corporation 8.50%	02/01/2015	12,645	10,503	75,000	Casella Waste Systems, Inc. 9.75%	02/01/2013	93,487	84,054
11,000	AK Steel Holding Corporation 7.88%	02/15/2009	12,290	11,670	40,000	Caterpillar Inc. 6.05%	08/15/2036	45,506	41,946
50,000	Alcoa Inc. 5.95%	02/01/2037	58,340	49,593	20,000	Centennial Communications Corp. 11.10%	01/01/2013	23,463	22,228
35,000	American Airlines 6.82%	11/23/2012	48,884	37,131	70,000	Charter Communications Holdings, LLC 13.50%	01/15/2011	59,328	77,054
175,000	American Express Company 6.80%	09/01/2016	201,565	191,396	50,000	Charter Communications Holdings, LLC 13.50%	01/15/2014	58,693	54,507
15,000	American Real Estate Partners, L.P. 8.13%	06/01/2012	17,864	16,013	382,390	Chase Mortgage Finance Corporation 5.00%	09/25/2018	447,294	391,729
35,000	American Tower Corporation 7.13%	10/15/2012	44,357	38,248	10,000	Chesapeake Energy Corporation 6.63%	01/15/2016	11,302	10,303
115,000	Ameriprise Financial, Inc. 7.52%	06/01/2016	135,826	126,649	20,000	Chiquita Brands International, Inc. 8.88%	12/01/2015	21,522	20,101
140,000	AmerisourceBergen Corporation 5.63%	09/15/2012	162,377	145,864	135,000	Citibank Credit Card Issuance Trust 6.15%	06/15/2039	143,066	143,850
175,000	Anadarko Petroleum Corporation 5.95%	09/15/2016	199,402	181,799	100,000	Citigroup Inc. 6.13%	08/25/2036	123,420	104,383
49,000	AO Siberian Oil Company 10.75%	01/15/2009	66,876	55,647	616,084	Citigroup Mortgage Loan Trust Inc. 5.62%	03/25/2037	648,969	649,693
75,000	Apache Corporation 5.25%	04/15/2013	85,661	78,182	55,000	Comcast Corporation 5.66%	07/14/2009	62,362	58,505
20,000	Armor Holdings, Inc. 8.25%	08/15/2013	25,653	22,521	50,000	Comcast Corporation 6.50%	11/15/2035	54,909	51,675
160,000	AT&T Corp. 7.30%	11/15/2011	200,719	181,005	50,000	Commercial Mortgage Pass-Through Certificates 5.69%	06/10/2046	55,645	53,275
85,000	AT&T Corp. 8.00%	11/15/2031	113,373	107,822	5,000	Compagnie Generale de Geophysique-Veritas 7.50%	05/15/2015	5,985	5,338
115,000	AVA Capital Trust III 6.50%	04/01/2034	150,535	121,592	15,000	Compagnie Generale de Geophysique-Veritas 7.75%	05/15/2017	17,770	16,193
10,000	Avista Corp. 9.75%	06/01/2008	15,861	10,989	100,000	Constellation Brands, Inc. 8.13%	01/15/2012	118,917	109,546
35,000	BAC Capital Trust XI 6.63%	05/23/2036	38,943	37,954	50,000	Continental Airlines, Inc. 6.50%	06/15/2011	67,914	54,308
70,000	BAC Capital Trust XIV, 5.63%	03/15/2012	82,233	72,790	5,000	Corrections Corporation of America 7.50%	05/01/2011	6,099	5,397
5,000	Baldor Electric Company 8.63%	02/15/2017	5,891	5,623	150,000	Costco Wholesale Corporation 5.50%	03/15/2017	177,323	155,368
115,000	Banc of America Commercial Mortgage Inc. 5.60%	04/10/2049	125,311	122,155	21,823	Countrywide Alternative Loan Trust 4.67%	08/25/2034	26,833	22,886
330,000	Banc of America Commercial Mortgage Inc. 5.63%	07/10/2046	378,606	347,174	94,495	Countrywide Alternative Loan Trust 5.50%	03/25/2036	108,903	99,769
335,000	Banc of America Commercial Mortgage Inc. 5.89%	07/10/2044	383,890	358,541	134,353	Countrywide Alternative Loan Trust 5.90%	11/25/2035	160,160	142,266
60,000	Bancolumbia S.A. 6.88%	05/25/2017	64,255	62,537	59,540	Countrywide Alternative Loan Trust 6.00%	01/25/2035	73,330	62,544
63,104	Bank of America Alternative Loan Trust 5.50%	04/25/2020	79,828	65,855	130,000	Countrywide Asset Backed Certificates 5.73%	08/25/2036	150,361	135,150
90,595	Bank of America Alternative Loan Trust 6.00%	12/25/2033	123,257	95,176	100,000	Countrywide Asset-Backed Certificates 5.52%	03/25/2034	111,509	105,749
51,896	Bank of America Alternative Loan Trust 6.00%	03/25/2034	71,486	54,516	115,000	Countrywide Asset-Backed Certificates 5.63%	07/25/2027	134,825	121,773
28,917	Bank of America Alternative Loan Trust 6.00%	11/25/2034	37,370	30,372	50,000	Countrywide Asset-Backed Certificates 5.69%	10/25/2046	55,510	52,785
54,061	Bank of America Alternative Loan Trust 6.00%	12/25/2034	68,367	56,782	200,000	Countrywide Asset-Backed Certificates 5.71%	04/25/2035	229,168	210,554
66,649	Bank of America Alternative Loan Trust 6.00%	06/25/2035	85,288	69,876	100,000	Countrywide Asset-Backed Certificates 6.09%	06/25/2021	112,238	106,626
1,575,000	Bank of America Credit Card Trust 5.30%	02/15/2012	1,689,265	1,677,171	68,725	Countrywide Home Loans 6.00%	03/25/2036	78,821	71,734
117,595	Bank of America Mortgage Securities Inc. 4.75%	10/25/2020	135,894	118,957	91,499	Countrywide Home Loans 6.10%	05/20/2036	107,973	99,151
414	Bank of America Mortgage Securities Inc. 6.10%	05/25/2033	606	446	85,000	Cox Communications, Inc. 4.63%	01/15/2010	95,208	88,309
70,000	Baxter International Inc. 5.20%	02/16/2008	83,342	74,280	20,000	CPG International 1 Inc. 10.50%	07/01/2013	23,678	21,856
97,127	Bear Stearns ALT-A Trust 6.17%	05/25/2036	114,486	104,045	40,000	CRC Health Corporation 10.75%	02/01/2016	47,040	46,903
71,096	Bear Stearns ALT-A Trust 6.18%	05/25/2036	78,986	76,181	30,000	Credit Suisse First Boston Mortgage Corp. 5.55%	02/15/2039	33,524	31,631
101,464	Bear Stearns Asset Backed Securities, Inc. 5.50%	11/25/2035	116,133	106,089	17,222	Credit Suisse First Boston Mortgage Corp. 7.00%	12/25/2033	23,913	18,655
40,000	BellSouth Corporation 4.20%	09/15/2009	47,245	41,420	7,751	Credit Suisse First Boston Mortgage Corp. 7.00%	02/25/2034	10,812	8,409
30,000	Berry Plastics Holding Corporation 8.88%	09/15/2014	35,619	32,186					
40,000	BF Saul REIT 7.50%	03/01/2014	50,334	43,393					
15,000	Bluewater Finance Limited 10.25%	02/15/2012	18,473	16,631					
110,000	Boston Scientific Corporation 6.40%	06/15/2016	123,719	113,470					
10,000	Bowater Incorporated 6.50%	06/15/2013	9,428	9,253					
5,000	Bowater Incorporated 9.00%	08/01/2009	6,016	5,411					

Portfolio Advisor: Delaware Investment Advisers

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

Pinnacle American Core-Plus Bond Fund (Unaudited – Continued)

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
100,000	Credit-Based Asset Servicing and Securitization LLC 5.72%	01/25/2037	117,985	106,049	10,000	Global Cash Access, Inc. 8.75%	03/15/2012	11,903	11,034
70,000	CVS Caremark Corporation 5.75%	06/01/2017	75,195	71,804	806,608	GMAC Mortgage Corporation Loan Trust 5.19%	05/25/2035	849,072	830,085
55,000	CVS Caremark Corporation 6.25%	06/01/2027	59,162	56,720	35,000	GMAC Mortgage Corporation Loan Trust 5.75%	10/25/2036	38,782	37,126
270,000	DaimlerChrysler North America Holding Corporation 5.81%	08/03/2009	305,357	288,565	285,000	Greenwich Capital Commercial Funding Corp 5.44%	03/10/2039	326,610	292,870
25,000	Del Laboratories, Inc. 8.00%	02/01/2012	26,182	25,791	250,000	GS Mortgage Securities Corporation II 5.55%	04/10/2038	260,685	259,645
65,000	Delta Air Lines, Inc. 7.57%	05/18/2012	75,582	71,378	400,000	GS Mortgage Securities Corporation II 5.56%	11/10/2039	457,976	418,324
20,000	Denny's Corp. 10.00%	10/01/2012	24,066	22,414	19,735	GSAMP Trust 6.09%	05/25/2036	22,427	20,940
110,000	Depfa Bank PLC 20.00%	11/19/2007	86,783	89,086	30,000	Gundle/SLT Environmental, Inc. 11.00%	05/15/2012	35,038	32,385
85,000	Developers Diversified Realty Corporation 4.63%	08/01/2010	110,453	87,597	175,000	Halliburton Company 5.50%	10/15/2010	210,425	185,887
40,000	Developers Diversified Realty Corporation 5.38%	10/15/2012	46,653	41,575	150,000	Harrah's Operating Company, Inc. 6.50%	06/01/2016	155,224	133,210
20,000	Devon Energy Corporation 7.95%	04/15/2032	24,618	24,883	20,000	HCA, Inc. 6.50%	02/15/2016	19,012	18,027
25,000	Dex Media West LLC 9.88%	08/15/2013	32,178	28,450	100,000	Health Net Inc. 6.38%	06/01/2017	110,488	103,981
60,000	Dominion Resources, Inc. 5.69%	05/15/2008	69,646	63,890	50,000	H-Lines Finance Holding Corp. 11.25%	04/01/2013	48,267	49,987
85,000	Dominion Resources, Inc. 6.30%	09/30/2011	94,700	90,357	20,000	Horizon Lines, LLC 9.00%	11/01/2012	23,805	22,494
30,000	E*Trade Financial Corporation 8.00%	06/15/2011	37,794	32,864	85,000	HRPT Properties Trust 6.25%	06/15/2017	90,929	91,102
10,000	El Paso Corporation 7.00%	06/15/2017	10,586	10,476	60,000	Hughes Network Systems LLC 9.50%	04/15/2014	70,558	66,685
43,266	Elwood Energy, LLC 8.16%	07/05/2026	53,397	48,201	20,000	Idearc Inc. 8.00%	11/15/2016	21,414	21,563
115,000	Embarq Corporation 7.08%	06/01/2016	122,493	123,237	94,649	Indymac Index Mortgage Loan Trust 5.86%	12/25/2035	112,082	100,181
220,000	Enterprise Products Operating L.P. 4.63%	10/15/2009	248,724	229,492	30,000	Inmarsat Finance PLC 10.38%	11/15/2012	29,691	30,511
55,000	Enterprise Products Operating L.P. 8.38%	08/01/2016	63,225	61,875	20,000	Insight Midwest LP 9.75%	10/01/2009	23,641	21,324
75,000	Federated Retail Holdings, Inc. 5.35%	03/15/2012	88,325	78,430	5,000	Insight Midwest LP 9.75%	10/01/2009	5,983	5,331
55,661	First Horizon Mortgage Pass-Through Trust 5.71%	10/25/2034	71,440	58,703	45,000	Interface, Inc. 10.38%	02/01/2010	57,252	51,928
19,871	First Horizon Mortgage Pass-Through Trust 8.00%	07/25/2033	29,836	21,512	70,000	International Lease Finance Corporation 5.75%	06/15/2011	74,334	74,742
145,000	First Union Institutional Capital II 7.85%	01/01/2027	168,869	160,387	20,000	Intertape Polymer U.S. Inc. 8.50%	08/01/2014	23,842	21,803
5,000	Ford Motor Company 4.25%	12/15/2036	5,870	6,672	135,000	Invesco PLC 5.63%	04/17/2012	153,828	141,471
105,000	Ford Motor Company 7.45%	07/16/2031	108,935	88,780	10,000	Isle of Capri Casinos, Inc. 9.00%	03/15/2012	11,732	11,101
30,000	Ford Motor Credit Company 7.38%	10/28/2009	31,779	31,851	80,000	J.C. Penney Corporation, Inc. 7.38%	08/15/2008	98,780	86,723
470,000	Ford Motor Credit Company 7.80%	06/01/2012	497,437	484,811	110,000	J.P. Morgan Mortgage Trust 5.14%	09/25/2035	129,549	113,073
100,000	Ford Motor Credit Company 8.00%	12/15/2016	112,820	101,586	60,601	J.P. Morgan Mortgage Trust 5.41%	07/25/2035	66,641	62,949
200,000	Ford Motor Credit Company 8.11%	01/13/2012	223,070	212,218	110,000	JC Penney Corp Inc. 6.38%	10/15/2036	115,824	111,791
105,000	FPL Group Capital Inc. 5.63%	09/01/2011	118,895	111,929	75,000	JP Morgan Chase & Co. 6.13%	06/27/2017	79,849	80,775
45,000	FPL Group Capital Inc. 6.65%	06/15/2017	47,570	47,090	45,000	JP Morgan Chase Capital Trust XVIII 6.95%	08/17/2036	51,462	48,434
25,000	Freepport-McMoran Copper & Gold, Inc. 8.25%	04/01/2015	29,391	27,985	95,000	JP Morgan Chase Capital XXI 6.31%	02/02/2037	99,693	99,028
80,000	Freepport-McMoran Copper & Gold, Inc. 8.38%	04/01/2017	94,052	90,614	125,000	JP Morgan Chase Commercial Mortgage Securities Corp. 4.99%	01/12/2037	153,951	128,093
50,000	FTI 7.63%	06/15/2013	57,011	54,108	60,000	JP Morgan Chase Commercial Mortgage Securities Corp. 5.38%	07/12/2037	80,833	62,719
30,000	Gaylord Entertainment Company 8.00%	11/15/2013	36,388	32,385	165,000	JP Morgan Chase Commercial Mortgage Securities Corp. 6.07%	04/15/2045	183,702	175,628
68,000	GE Capital UK Funding 4.63%	01/18/2016	141,234	130,172	114,255	JP Morgan Mortgage Trust 4.78%	02/25/2035	131,691	118,338
175,000	GE Capital Commercial Mortgage Corporation 6.27%	12/10/2035	226,403	189,887	25,000	Kansas City Southern 9.50%	10/01/2008	31,784	27,553
500,000	General Electric Capital Corporation 5.13%	01/28/2014	82,728	78,112	8,000,000	KfW International Finance Inc. 1.75%	03/23/2010	83,346	69,965
265,000	General Electric Capital Corporation 6.50%	01/27/2009	204,185	212,129	130,000	Kraft Foods Inc. 4.13%	11/12/2009	145,081	134,018
65,000	General Motors Acceptance Corporation 6.63%	05/15/2012	67,732	67,077	25,000	Kraft Foods Inc. 6.50%	11/01/2031	29,311	25,817
400,000	General Motors Acceptance Corporation 6.88%	09/15/2011	459,652	418,025	171,000	Kreditanstalt fuer Wiederaufbau 3.50%	07/04/2021	232,925	213,144
130,000	General Motors Corporation 8.38%	07/15/2033	121,167	126,164	190,000	Kreditanstalt fuer Wiederaufbau 4.13%	07/04/2017	284,365	260,257
50,000	Georgia-Pacific Corp. 8.88%	05/15/2031	62,068	53,310	20,000,000	Kreditanstalt fuer Wiederaufbau 8.25%	09/20/2007	304,936	336,491
					85,000	LaBranche & Co Inc. 11.00%	05/15/2012	106,547	95,826

Portfolio Advisor: Delaware Investment Advisers

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

Pinnacle American Core-Plus Bond Fund (Unaudited – Continued)

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
60,000	LaBranche & Co Inc. 9.50%	05/15/2009	75,341	66,525	95,000	Pepco Holdings, Inc. 5.86%	06/01/2010	107,133	100,964
9,000,000	Landwirtschaftliche Rentenbank 1.38%	04/25/2013	101,716	76,380	45,000	Pepco Holdings, Inc. 6.13%	06/01/2017	47,467	47,474
100,000	LB-UBS Commerical Mortgage Trust 6.46%	03/15/2031	122,918	110,093	25,000	PetroHawk Energy Corporation 9.13%	07/15/2013	30,450	28,118
45,000	Lear Corporation 8.75%	12/01/2016	52,908	45,706	35,000	Pilgrim's Pride Corporation 8.38%	05/01/2017	41,010	37,038
30,000	Lehman Brothers Holdings Capital Trust VIII 6.19%	05/29/2049	32,139	31,895	45,000	Pilgrim's Pride Corporation 9.63%	09/15/2011	55,564	49,654
97,726	Lehman Mortgage Trust 5.50%	12/25/2035	116,219	103,394	15,000	Plains Exploration & Production Company 7.00%	03/15/2017	17,704	15,275
25,000	Lyondell Chemical Company 8.00%	09/15/2014	29,479	27,386	55,000	Popular North America Capital Trust I 6.56%	09/15/2034	67,367	54,710
50,000	Lyondell Chemical Company 8.25%	09/15/2016	56,326	55,438	95,000	Popular North America Inc. 4.25%	04/01/2008	133,981	99,601
55,000	MagnaChip Semiconductor SA 8.00%	12/15/2014	55,959	42,994	50,000	Potlatch Corporation 13.00%	12/01/2009	65,176	61,486
45,000	Majestic Star Casino LLC 9.50%	10/15/2010	51,606	49,774	28,927	Prime Mortgage Trust 6.00%	02/25/2034	39,448	30,398
10,000	Mandalay Resort Group 9.38%	02/15/2010	11,894	11,367	45,000	Prudential Financial, Inc. 6.10%	06/15/2017	48,032	48,267
25,000	Mandalay Resort Group 9.50%	08/01/2008	30,453	27,519	50,000	Qwest Corporation 8.61%	06/15/2013	63,888	57,831
5,000	Massey Energy Company 6.63%	11/15/2010	5,900	5,185	15,000	R.H. Donnelley Corp. 8.88%	01/15/2016	18,130	16,551
36,456	Master Adjustable Rate Mortgages Trust 5.37%	06/25/2035	40,090	38,669	40,000	RBS Capital Trust 4.71%	07/01/2013	42,320	39,736
24,526	Master Adjustable Rate Mortgages Trust 5.88%	12/25/2033	32,391	26,579	25,000	RBS Global Inc and Rexnord Corp. 11.75%	08/01/2016	31,179	28,816
62,644	Master Alternative Loans Trust 5.50%	12/25/2018	85,111	65,011	55,954	Renaissance Home Equity Loan Trust 5.40%	02/25/2036	64,801	59,269
88,754	Master Alternative Loans Trust 6.00%	04/25/2035	111,799	93,226	35,000	Renaissance Home Equity Loan Trust 5.57%	02/25/2036	40,534	37,072
12,409	Master Alternative Loans Trust 8.00%	09/25/2033	17,798	13,477	190,000	Renaissance Home Equity Loan Trust 5.61%	05/25/2036	216,633	200,938
5,000	Mediacom Broadband LLC 8.50%	10/15/2015	5,580	5,397	50,000	Renaissance Home Equity Loan Trust 5.68%	06/25/2037	55,338	52,953
85,000	Mediacom Communications Corp. 9.50%	01/15/2013	99,530	92,210	66,063	Residential Asset Mortgage Products, Inc. 6.00%	05/25/2032	85,800	69,650
90,000	Mellon Financial Corporation 6.24%	06/29/2049	95,728	96,581	48,170	Residential Asset Mortgage Products, Inc. 6.50%	07/25/2032	61,624	51,201
100,000	Merrill Lynch & Co., Inc. 6.22%	09/15/2026	116,131	103,860	17,444	Residential Asset Mortgage Products, Inc. 7.00%	11/25/2031	24,628	18,670
150,000	Merrill Lynch Countrywide Commercial Mortgage Trust 5.38%	08/12/2048	176,660	154,055	95,000	Residential Capital Corporation 5.86%	06/09/2008	108,818	100,024
105,000	MetLife, Inc. 5.00%	06/15/2015	117,030	105,809	70,000	Residential Capital Corporation 6.00%	02/22/2011	80,464	71,975
23,936	Mid State Trust 4.86%	07/15/2038	31,852	23,485	105,000	Residential Capital Corporation 6.13%	11/21/2008	123,770	110,857
95,000	MidAmerican Funding, LLC 6.75%	03/01/2011	117,782	105,091	88,000	Residential Capital Corporation 6.38%	06/30/2010	102,658	92,310
18,861	Mid-State Capital Corporation Trust 6.01%	08/15/2037	25,127	20,119	50,000	Residential Capital Corporation 6.38%	05/17/2013	105,425	97,673
145,000	Montpelier Re Holdings Ltd. 6.13%	08/15/2013	158,556	149,589	50,000	Residential Capital LLC 5.13%	05/17/2012	72,616	68,162
250,000	Morgan Stanley Capital I 5.73%	07/20/2044	263,355	264,298	90,063	Residential Funding Mortgage Securities I 6.06%	09/25/2036	101,073	94,771
43,317	Morgan Stanley Mortgage Loan Trust 6.50%	02/25/2036	50,595	46,322	155,000	Residential Funding Mortgage Securities II 5.79%	02/25/2036	173,705	161,117
100,000	MUFG Capital Finance 1 Limited 6.35%	07/29/2049	115,925	104,502	50,000	Resona Bank, Limited 4.13%	09/29/2049	74,019	68,130
45,000	National Beef Packing Company, LLC / NB Finance Corp. 10.50%	08/01/2011	55,511	50,013	100,000	RSB Bondco LLC 5.72%	04/01/2018	106,715	106,337
110,000	Nextel Communications, Inc. 6.88%	10/31/2013	145,678	115,922	30,000	Rural Cellular Corporation 9.88%	02/01/2010	39,144	33,342
150,000	Nomura Asset Acceptance Corporation 4.79%	03/25/2035	188,207	157,466	85,000	SAFECO Capital Trust I 8.07%	07/15/2037	98,842	94,106
100,000	Nomura Asset Acceptance Corporation 6.16%	05/25/2036	111,163	106,792	25,000	Seabulk International, Inc. 9.50%	08/15/2013	34,425	28,417
60,000,000	Nordic Investment Bank 1.70%	04/27/2017	567,141	505,388	95,000	Sempra Energy 5.83%	05/21/2008	116,017	101,023
510,000	Nordic Investment Bank 4.63%	07/30/2010	88,682	89,762	65,000	SLM Corporation 4.50%	07/26/2010	69,557	63,997
70,000	ONEOK, Inc. 5.51%	02/16/2008	83,626	74,391	75,000	SLM Corporation 5.40%	10/25/2011	80,543	73,170
50,000	Orion Power Holdings, Inc. 12.00%	05/01/2010	69,404	60,224	65,000	Smithfield Foods, Inc. 7.75%	07/01/2017	69,150	69,304
39,000,000	Osterreichische Kontrollbank 1.80%	03/22/2010	394,245	341,527	25,000	Solectron Global Finance Ltd. 8.00%	03/15/2016	29,213	28,583
40,000	Pactiv Corporation 5.88%	07/15/2012	42,488	42,640	25,000	Solutia Inc. 6.72%	10/15/2037	21,495	23,797
30,000	Pactiv Corporation 6.40%	01/15/2018	31,812	32,013	30,000	Southern California Edison Company 7.63%	01/15/2010	44,931	33,494
63,000	Pepco Holdings, Inc. 5.50%	08/15/2007	78,019	67,004	135,000	Sprint Capital Corp. 7.63%	01/30/2011	169,011	151,437
					85,000	Sprint Nextel Corporation 5.76%	06/28/2010	90,495	90,400
					25,000	Sprint Nextel Corporation 6.00%	12/01/2016	25,045	25,277
					60,000	St. Paul Travelers Companies, Inc. 5.01%	08/16/2007	75,815	63,780

Portfolio Advisor: Delaware Investment Advisers

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

Statement of Investment Portfolio as at June 30, 2007

Schedule 1

Short-Term Notes

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$10,763,757	State Street Trust Company Canada U.S. Dollar Call Deposit	7/3/2007	11,719,556	11,447,797
Total Short-Term Notes			11,719,556	11,447,797

Schedule 2

Foreign Currency Spot and Forward Contracts Value (Capital)

Contracts	Pay	Receive	Due Date	Credit Rating	Market Value (\$)
Forward Currency Contracts					
1	27,445 U.S. Dollar	407,000 Mexican Peso	07/2/2007	AA	10,925
Total Foreign Currency Spot Contracts Value					10,925
1	35,000 Euro Dollar	3,027,500 Iceland Krona	07/31/2007	AA-	927
1	62,891 U.S. Dollar	375,200 Norwegian Krona	07/31/2007	AA-	838
1	72,446 U.S. Dollar	53,671 Euro Dollar	08/31/2007	AA-	289
1	192,000 Pound Sterling	284,506 Euro Dollar	08/31/2007	AA	695
1	207,432 Swedish Krona	22,371 Euro Dollar	08/31/2007	AA-	(82)
1	267,000 Polish Zloty	116,007 Swiss Franc	08/31/2007	AA-	(790)
1	400,000 Euro Dollar	65,987,200 Japanese Yen	08/31/2007	AA-	(2,917)
1	402,460 New Zealand Dollar	294,287 U.S. Dollar	08/31/2007	AA-	(16,114)
1	700,000 Euro Dollar	115,850,000 Japanese Yen	08/31/2007	AA-	(1,874)
1	1,026,088 Norwegian Krone	127,833 Euro Dollar	08/31/2007	AA-	(1,110)
1	2,957,500 Iceland Krona	35,000 Euro Dollar	07/31/2007	AA-	258
1	22,179,000 Japanese Yen	90,629 Pound Sterling	08/31/2007	AA+	438
Total Foreign Currency Forward Contracts Value					(19,442)
Total Foreign Currency Spot and Forward Contracts Value					(8,517)

* Bonds are comprised of 90% U.S. denominated bonds and 10% denominated in other foreign currencies.

Pinnacle American Core-Plus Bond Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$75,192,944	\$ 62,515,522
Cash	815,297	589,400
Subscriptions receivable	273,425	580,433
Receivable for securities sold	5,551,250	742,829
Accrued investment income	571,915	688,716
	<u>82,404,831</u>	<u>65,116,900</u>
Liabilities		
Payable on open spot and forward contracts	8,517	47,839
Payable for securities purchased	15,001,787	5,888,914
Redemptions payable	192,737	174,366
Accrued expenses	49,294	49,185
	<u>15,252,335</u>	<u>6,160,304</u>
Net assets representing unitholders' equity	<u>\$67,152,496</u>	<u>\$ 58,956,596</u>
Number of units outstanding	<u>9,269,370</u>	<u>7,398,788</u>
Net assets per unit	<u>\$ 7.24</u>	<u>\$ 7.97</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 44,736	\$ –
Interest	662,320	1,177,354
Less: Foreign withholding taxes	(2,931)	(2,704)
	<u>704,125</u>	<u>1,174,650</u>
Expenses		
Legal fees	1,108	–
Audit fees	5,879	4,822
Custody fees	52,501	42,151
Interest	–	4,959
Filing fees	6,643	6,456
Unitholder reporting costs	12,222	7,830
Unitholder administration, service fees and GST	44,938	39,260
	<u>123,291</u>	<u>105,478</u>
Net investment income (loss)	<u>580,834</u>	<u>1,069,172</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	(1,843,281)	(2,207,967)
Net realized gain (loss) on foreign exchange	505,052	50,880
Increase (decrease) in unrealized appreciation (depreciation) of investments	(5,079,363)	(1,039,823)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	260,341	52,599
Transaction costs (Note 2)	(40)	–
Net gain (loss) on investments	<u>(6,157,291)</u>	<u>(3,144,311)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$(5,576,457)</u>	<u>\$(2,075,139)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.65)</u>	<u>\$ (0.32)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
New accounting policy adjustment (Note 2)	\$58,956,596	\$45,465,514
Increase (decrease) in net assets from operations	(72,137)	–
Distributions to unitholders	(5,576,457)	(2,075,139)
Investment income	(988,924)	(1,144,333)
	<u>52,319,078</u>	<u>42,246,042</u>
Unit Transactions:		
Proceeds from issue	20,547,745	14,551,162
Reinvested distributions	988,352	1,143,627
Payments on redemption	(6,702,679)	(7,154,205)
	<u>14,833,418</u>	<u>8,540,584</u>
Increase (decrease) in net assets	<u>8,195,900</u>	<u>5,321,112</u>
Net Assets, End of Period	<u>\$67,152,496</u>	<u>\$50,786,626</u>

Pinnacle Global Real Estate Securities Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$101,616,615	\$102,694,990
Cash	1,908,647	1,887,401
Subscriptions receivable	458,217	465,262
Receivable for securities sold	226,846	–
Accrued investment income	312,691	452,030
	<u>104,523,016</u>	<u>105,499,683</u>
Liabilities		
Payable for securities purchased	261,574	73,451
Redemptions payable	140,070	136,160
Accrued expenses	44,993	45,944
	<u>446,637</u>	<u>255,555</u>
Net assets representing unitholders' equity	<u>\$104,076,379</u>	<u>\$105,244,128</u>
Number of units outstanding	<u>5,676,952</u>	<u>5,238,727</u>
Net assets per unit	<u>\$ 18.33</u>	<u>\$ 20.09</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 1,027,028	\$ 941,761
Interest	415,174	345,528
Securities lending income	9,267	5,994
Less: Foreign withholding taxes	(221,681)	(233,949)
	<u>1,229,788</u>	<u>1,059,334</u>
Expenses		
Legal fees	1,108	–
Audit fees	8,855	7,054
Custody fees	20,734	10,413
Interest	–	135
Filing fees	6,643	6,456
Unitholder reporting costs	22,979	10,874
Unitholder administration, service fees and GST	55,121	43,890
	<u>115,440</u>	<u>78,822</u>
Net investment income (loss)	<u>1,114,348</u>	<u>980,512</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	7,127,925	4,158,537
Net realized gain (loss) on foreign exchange	(101,533)	5,420
Net realized gain (loss) from trust units/ underlying funds	(32,140)	125,410
Increase (decrease) in unrealized appreciation (depreciation) of investments	(18,307,203)	1,050,918
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(18,347)	(1,432)
Transaction costs (Note 2)	(57,656)	–
Net gain (loss) on investments	<u>(11,388,954)</u>	<u>5,338,853</u>
Increase (Decrease) in Net Assets from Operations	<u>\$(10,274,606)</u>	<u>\$6,319,365</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (1.90)</u>	<u>\$ 1.24</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$105,244,128	\$ 75,008,502
Increase (decrease) in net assets from operations	(10,274,606)	6,319,365
	<u>94,969,522</u>	<u>81,327,867</u>
Unit Transactions:		
Proceeds from issue	25,583,180	13,731,517
Payments on redemption	(16,476,323)	(10,579,429)
	<u>9,106,857</u>	<u>3,152,088</u>
Increase (decrease) in net assets	<u>(1,167,749)</u>	<u>9,471,453</u>
Net Assets, End of Period	<u>\$104,076,379</u>	<u>\$ 84,479,955</u>

Pinnacle Strategic Balanced Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
Federal Government (11.2%)					\$ 255,000	Brascan Corporation 5.95%	06/14/2035	262,379	239,497
\$2,032,000	Canada Housing Trust 3.55%	09/15/2010	1,956,713	1,963,097	76,594	Brilliant Power Funding Corp. 5.67%	05/31/2026	81,696	77,792
3,485,000	Canada Housing Trust 3.95%	12/15/2011	3,398,426	3,382,306	164,000	Brookfield Asset Management Inc 5.29%	04/25/2017	163,987	158,415
789,000	Canada Housing Trust 4.00%	06/15/2012	773,048	765,147	76,000	Brookfield Power Corp 5.84%	11/05/2036	75,978	69,730
242,000	Canada Housing Trust 4.40%	03/15/2008	241,437	241,446	383,000	Business Development Bank of Canada 4.75%	07/26/2021	398,588	382,290
1,127,000	Canada Housing Trust 4.60%	09/15/2011	1,115,636	1,122,954	130,000	Caisse d'Amortissement de la Dette Sociale 4.45%	10/26/2018	129,402	124,763
1,732,000	Canada Housing Trust 4.80%	06/15/2012	1,731,567	1,740,289	208,000	Canadian Tire Corporation, Limited 5.61%	09/04/2035	202,305	192,498
365,000	Farm Credit Canada 4.60%	06/01/2021	373,473	358,804	73,000	Canadian Tire Corporation, Limited 6.32%	02/24/2034	78,349	74,411
742,000	Government of Canada 3.75%	09/01/2011	721,321	719,175	13,000	Citigroup Inc. 4.63%	01/17/2017	12,931	12,222
204,000	Government of Canada 3.75%	06/01/2012	195,930	196,840	19,000	Citigroup Inc. 4.65%	10/11/2022	18,738	17,818
187,000	Government of Canada 4.00%	06/01/2016	178,361	179,557	315,000	Citigroup Inc. 5.37%	03/06/2036	315,133	298,858
102,000	Government of Canada 4.00%	06/01/2017	96,747	97,602	88,000	Column Canada Issuer Corporation 4.93%	01/15/2022	88,202	84,520
293,000	Government of Canada 5.00%	06/01/2037	315,916	319,414	77,000	Countrywide Financial Corporation 4.69%	06/01/2009	76,971	76,250
148,000	Government of Canada 5.25%	06/01/2013	154,487	153,153	360,000	Countrywide Financial Corporation 6.25%	05/15/2016	426,033	376,347
110,000	Government of Canada 5.75%	06/01/2029	128,453	128,676	400,000	Credit Agricole SA 5.50%	08/11/2049	403,963	397,210
			<u>11,381,515</u>	<u>11,368,460</u>	65,000	DEPFA ACS Bank 4.90%	08/24/2035	66,278	62,928
Provincial Government (6.8%)					110,000	Dexia Municipal Agency 4.68%	03/09/2029	109,940	104,799
150,000	Alberta Capital Finance Authority 4.45%	12/15/2025	144,390	142,552	156,000	Domtar Inc. 5.38%	12/01/2013	157,760	149,322
132,000	Alberta Treasury Branch 4.10%	12/01/2011	132,966	128,785	38,000	ERAC Canada Finance Ltd 5.70%	02/26/2021	37,172	36,928
47,000	Hydro-Quebec 5.00%	02/15/2045	49,461	46,922	129,000	ERAC Canada Finance Ltd. 5.38%	02/26/2016	128,890	126,591
19,000	Hydro-Quebec 6.00%	02/15/2040	22,465	21,970	327,000	Europaeische Hypothekenbank SA 4.60%	05/30/2013	326,673	321,928
28,000	Hydro-Quebec 6.50%	02/15/2035	35,252	34,108	135,000	GE Capital Canada Funding Company 4.75%	05/02/2011	134,822	134,058
173,000	Municipal Finance Authority of British Columbia 4.65%	04/19/2016	177,143	170,658	315,000	General Motors Acceptance Corporation of Canada Ltd. 5.20%	05/21/2009	314,523	308,490
21,000	Newfoundland & Labrador Hydro 6.65%	08/27/2031	26,471	25,742	70,000	General Motors Acceptance Corporation of Canada Ltd. 5.55%	11/30/2009	68,942	68,746
114,000	Province of Alberta 4.10%	06/01/2011	112,557	111,498	254,000	General Motors Acceptance Corporation of Canada Ltd. 5.60%	01/18/2010	251,120	250,431
19,000	Province of British Columbia 4.70%	06/18/2037	18,233	18,492	267,000	Greater Toronto Airport Authority 4.85%	06/01/2017	260,503	258,319
53,000	Province of British Columbia 5.70%	06/18/2029	58,620	58,726	175,000	Great-West Lifeco Inc. 5.69%	06/21/2067	175,000	175,471
200,000	Province of British Columbia 8.50%	08/23/2013	257,258	239,436	122,000	HSBC Bank Canada 4.80%	04/10/2022	121,866	116,688
234,000	Province of Manitoba 4.75%	02/11/2020	231,833	230,762	100,000	HSBC Holdings plc 6.50%	05/02/2036	120,264	109,680
15,000	Province of New Brunswick 4.65%	09/26/2035	15,282	14,310	100,000	Hutchison Whampoa Finance 06 Limited 4.63%	09/21/2016	144,185	136,770
150,000	Province of New Brunswick 5.85%	12/01/2011	164,052	156,590	106,000	Hutchison Whampoa Finance CI Ltd 7.45%	08/01/2017	135,156	124,162
17,000	Province of Newfoundland 4.50%	04/17/2037	16,895	15,666	268,000	Inter-American Development Bank 4.40%	01/26/2026	260,504	247,670
125,000	Province of Newfoundland 5.70%	10/17/2035	145,739	138,474	80,000	Janus Capital Group Inc. 6.70%	06/15/2017	84,668	85,971
100,000	Province of Nova Scotia 6.60%	12/01/2031	130,424	123,393	213,000	Kreditanstalt fuer Wiederaufbau 4.65%	02/28/2023	212,666	203,324
291,000	Province of Ontario Zero Cpn	06/02/2025	129,256	119,090	126,000	Loblaw Companies Limited 5.90%	01/18/2036	118,075	116,232
211,000	Province of Ontario Zero Cpn	12/02/2025	91,544	84,224	96,000	Loblaw Companies Limited 6.05%	06/09/2034	94,307	90,529
242,000	Province of Ontario Zero Cpn	06/02/2026	103,004	94,219	27,000	Loblaw Companies Limited 6.85%	03/01/2032	29,965	28,183
168,611	Province of Ontario 3.21%	08/13/2009	165,616	165,612	100,000	Mansfield Trust 6.84%	08/15/2010	107,976	104,638
414,000	Province of Ontario 4.00%	05/19/2010	405,432	405,904	161,000	Manulife Financial Corporation 4.67%	03/28/2013	160,961	158,325
123,000	Province of Ontario 4.40%	12/02/2011	122,883	121,408	57,000	Manulife Financial LP 5.06%	12/15/2041	56,965	52,417
183,000	Province of Ontario 4.70%	06/02/2037	176,666	176,319	62,000	Maritimes & Northeast Pipeline 6.90%	11/30/2019	71,405	68,289
232,000	Province of Ontario 5.38%	12/02/2012	243,331	238,997	64,000	Master Credit Card Trust 4.44%	11/21/2011	64,000	62,663
635,000	Province of Ontario 5.60%	06/02/2035	737,419	698,638	145,000	Merrill Lynch & Co., Inc. 5.29%	05/30/2022	144,912	140,562
512,000	Province of Ontario 5.85%	03/08/2033	606,960	578,403					
509,000	Province of Ontario 6.10%	12/02/2011	563,774	536,468					
174,000	Province of Quebec 4.50%	12/01/2017	166,943	168,234					
68,000	Province of Quebec 5.00%	12/01/2038	69,549	67,724					
100,000	Province of Quebec 6.00%	10/01/2012	110,563	105,609					
668,000	Province of Quebec 6.25%	12/01/2010	711,165	699,452					
711,000	Province of Quebec 6.25%	06/01/2032	863,493	831,404					
97,000	Province of Saskatchewan 6.40%	09/05/2031	117,792	116,837					
			<u>7,124,431</u>	<u>6,886,626</u>					
Corporate (13.5%)									
268,000	AltaLink Investment LP 5.02%	11/21/2012	268,822	261,741					
106,000	American International Group, Inc. 4.90%	06/02/2014	105,987	103,808					
78,467	Arrow Lakes Power 5.39%	03/31/2015	81,511	78,043					
167,000	Bank of Montreal 5.10%	04/21/2021	167,988	165,032					
185,000	Bank of Montreal 5.20%	06/21/2017	184,993	185,753					
100,000	BMO Capital Trust 4.63%	12/29/2049	98,351	94,410					
236,000	Brascan Corporation 4.65%	12/16/2009	236,484	233,781					

Portfolio Advisor:

Connor, Clark & Lunn Investment Management Ltd.

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-For equities, all common shares unless otherwise noted.

Pinnacle Strategic Balanced Fund (Unaudited – Continued)

Statement of Investment Portfolio as at June 30, 2007

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
\$ 318,000	Molson Coors Capital Finance ULC 5.00%	09/22/2015	314,270	304,236	8,000	Celtic Exploration Ltd.	102,595	116,000
428,000	Morgan Stanley 4.90%	02/23/2017	411,377	403,824	1,408	Chevron Corporation	103,115	126,103
57,000	Odessey Re Holdings Corp. 7.65%	11/01/2013	72,136	64,407	2,500	Corridor Resources Inc.	29,027	28,500
81,000	Pearson International Fuel Facilities Corp 5.09%	03/09/2032	80,866	78,188	2,700	Crew Energy Inc.	46,591	27,675
103,000	Pricoa Global Funding I 4.95%	05/29/2014	102,916	101,402	3,300	Cyries Energy Inc.	49,248	37,224
500,000	RBC Capital Trust 4.87%	12/31/2015	500,840	479,681	7,000	Enbridge Inc.	270,739	251,230
150,000	Real Estate Asset Liquidity Trust 5.20%	03/12/2046	149,424	150,191	29,910	EnCana Corporation	1,603,273	1,959,703
214,000	Residential Capital Corporation 5.37%	05/12/2008	214,132	212,684	9,200	Enerplus Resources Fund	481,938	458,528
82,000	Riocan Real Estate Investment Trust 4.94%	03/24/2010	81,461	81,226	16,300	Harvest Energy Trust	519,088	537,085
271,000	Rogers Wireless Communications Inc. 7.63%	12/15/2011	291,386	293,759	1,100	Hess Corporation	68,372	68,896
82,000	Royal Bank of Canada 5.95%	06/18/2014	87,924	85,112	4,900	Highpine Oil & Gas Ltd.	93,491	69,825
230,000	Shaw Communications, Inc. 6.15%	05/09/2016	227,428	223,903	10,000	Husky Energy Inc.	738,302	875,000
59,000	Solar Trust 6.61%	11/15/2021	63,103	61,621	8,700	Imperial Oil Limited	355,106	431,433
264,000	Sun Life Financial Inc. 4.95%	06/01/2036	262,305	258,447	9	INPEX Holdings Inc.	89,012	88,424
25,000	TCHC Issuer Trust 4.88%	05/11/2037	25,000	23,965	600	InterOil Corporation	25,587	12,126
244,000	TCNZ Finance Limited 4.75%	10/11/2013	243,670	235,517	9,300	Iteration Energy Ltd.	54,992	52,080
140,000	TD Banknorth, Inc. 4.64%	09/20/2022	135,568	132,873	4,700	Kereco Energy Ltd.	64,042	27,401
95,000	Terasen Gas Inc 5.55%	09/25/2036	94,992	93,100	1,264	LUKOIL ADR	114,309	102,303
87,000	Terasen Gas Inc. 5.90%	02/26/2035	93,207	89,516	900	Mullen Group Income Fund	21,576	19,062
4,000	Terasen Gas Inc. 6.50%	05/01/2034	4,595	4,442	9,400	Nexen Inc.	300,555	310,200
131,000	The Goldman Sachs Group, Inc. 5.20%	04/19/2022	130,737	125,199	2,900	Niko Resources Ltd.	245,994	281,300
98,000	The Greater Toronto Airports Authority 6.47%	02/02/2034	113,967	109,997	927	Occidental Petroleum Corporation	52,577	57,035
209,000	The Greater Toronto Airports Authority 6.98%	10/15/2032	244,903	248,352	1,654	Oil States International, Inc.	64,557	72,563
292,000	The Greater Toronto Airports Authority 7.05%	06/12/2030	358,108	347,545	8,800	Oilexco Incorporated	73,640	113,256
66,000	The Greater Toronto Airports Authority 7.10%	06/04/2031	82,312	79,148	1,000	OMV AG	73,447	70,355
217,000	The Royal Bank of Scotland PLC 5.37%	05/12/2016	217,297	214,609	6,000	OPTI Canada Inc.	125,781	136,260
93,000	The Thomson Corporation 5.20%	12/01/2014	94,230	92,376	18,468	Parkland Income Fund	223,685	297,519
194,000	The Thomson Corporation 6.85%	06/01/2011	208,397	205,733	5,900	Pason Systems Inc.	94,024	97,881
498,000	The Toronto-Dominion Bank 4.78%	12/14/2105	493,531	472,939	3,200	Pembina Pipeline Income Fund	51,284	50,848
291,000	The Toronto-Dominion Bank 4.97%	10/30/2049	295,432	282,397	400	Petro Andina Resources Inc. Cl. A	4,456	4,540
265,000	Wells Fargo Financial Canada Corporation 4.40%	12/12/2012	265,291	257,313	600	Petro-Canada	33,766	33,882
69,000	West Fraser Timber Co. Ltd. 4.94%	10/19/2009	69,178	68,448	3,300	Petrolifera Petroleum Limited	62,591	56,199
154,000	Western Oil Sands Inc. 8.38%	05/01/2012	190,652	176,890	4,300	ProEx Energy Ltd.	64,020	64,457
152,000	YPG Holdings Inc. 4.57%	04/21/2009	152,089	149,906	6,900	Progress Energy Trust	94,672	88,182
			14,211,013	13,758,249	5,900	Provident Energy Trust	75,021	73,868
					2,800	Rally Energy Corp.	7,898	18,984
					5,800	Santos Limited	69,606	72,329
					1,500	Savannah Energy Services Corp.	33,825	29,700
					12,500	ShawCor Ltd. Cl. A Sub. Voting	352,266	406,375
					9,200	Suncor Energy, Inc.	852,810	880,164
					20,200	Talisman Energy Inc.	422,143	415,716
					955	Technip SA	68,919	84,161
					1,348	Total SA	105,438	116,799
					6,900	TransCanada Corporation	268,917	252,747
					5,100	Trican Well Service Ltd.	110,073	110,415
					9,900	UEX Corporation	68,289	73,458
					19,200	UTS Energy Corp.	83,076	115,584
					800	Vermilion Energy Trust	26,394	28,552
					13,300	West Energy Ltd.	97,763	57,190
					4,900	Western Oil Sands Inc.	147,551	173,950
					2,070	Woodside Petroleum Limited	75,393	85,424
							10,979,038	11,956,860
No. of Shares	Issuer		Average Cost (\$)	Market Value (\$)				
	Energy (11.7%)							
3,800	Addax Petroleum Corporation		131,368	151,392				
200	Akita Drilling Ltd. Cl. A Non-Voting		5,020	3,512				
745	Anadarko Petroleum Corporation		36,776	41,154				
1,103	Apache Corporation		86,363	95,596				
5,700	ARC Energy Trust		146,605	123,918				
2,400	Avenir Diversified Income Trust		21,598	20,160				
7,000	Baytex Energy Trust		157,684	148,260				
1,000	Bonterra Energy Income Trust		31,029	28,400				
7,900	Cameco Corporation		356,024	425,099				
4,100	Canadian Natural Resources Limited		250,979	289,378				
100	Canadian Oil Sands Trust		3,025	3,291				
13,300	CCS Income Trust		491,733	608,209				
	Materials (9.3%)							
1,700	Aber Diamond Corporation						71,598	69,105
7,100	Adanac Molybdenum Corporation						15,991	11,857
2,100	Agrium Inc.						96,041	97,587
700	Akzo Nobel NV						45,424	64,376
11,100	Alcan Inc.						749,945	960,705
1,662	Alcoa Inc.						58,566	71,553
3,700	Anvil Mining Limited						61,226	62,863
16,500	Aur Resources Inc.						297,508	520,740
1,300	Aurelian Resources Inc.						41,013	33,618
14,600	Barrick Gold Corporation						453,661	451,286
2,300	Bear Creek Mining Corporation						19,282	19,205
14,700	Cascades Inc.						199,936	167,433
300	CCL Industries Inc. Cl. B						11,175	11,610
33,000	Chariot Resources Ltd.						32,597	37,290
2,650	Companhia Vale do Rio Doce Preferred ADR						87,656	105,972
11,400	Dension Mines Corporation						138,331	145,008
9,000	Domtar Canada Paper, Inc.						93,600	106,380
21,900	Eastern Platinum Limited						47,426	51,684
11,900	Eldorado Gold Corporation						71,076	74,137
18,600	Equinox Minerals Limited						50,417	63,798
9,400	FXN Mining Company Inc.						295,319	302,586

Portfolio Advisor:

Connor, Clark & Lunn Investment Management Ltd.

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Pinnacle Strategic Balanced Fund (Unaudited – Continued)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
9,800	Fortress Paper Limited Cl. A	78,400	78,400	2,300	SNC-Lavalin Group Inc.	77,639	89,125
17,300	Fronteer Development Group Inc.	236,509	216,942	13,100	Superior Plus Income Fund	195,137	203,443
3,600	Gammon Gold, Inc.	60,029	48,276	1,600	Toromont Industries Ltd.	42,371	45,520
10,239	Gloucester Coal Ltd.	30,096	46,507	7,500	Transat A.T. Inc. Cl. B	236,225	239,850
8,450	Great Basin Gold Ltd. Warrants (Exp. 04/20/09)	–	4,479	1,237	Trinity Industries Inc.	64,074	57,190
627	Holcim Ltd.	61,578	72,181	11,400	WestJet Airlines Ltd.	187,104	177,840
300	Imperial Metals Corporation	4,195	4,176	2,549	Wolsley PLC	74,021	65,369
3,900	Inmet Mining Corp.	172,320	321,165			5,051,481	5,431,635
6,000	International Forest Products Limited Cl. A Sub. Voting	43,902	54,000		Consumer Discretionary (6.0%)		
2,700	Ivanhoe Mines Ltd.	41,300	40,770	1,515	Abercrombie & Fitch Co. Cl. A	124,972	117,430
24,500	Kinross Gold Corp.	390,863	303,555	2,900	AEON Co., Ltd.	81,024	57,110
500	Kirkland Lake Gold Inc.	4,532	5,925	43,176	Aeroplan Income Fund	875,289	911,877
6,100	Labrador Iron Ore Royalty Income Fund	199,905	200,812	600	Astral Media Inc. Cl. A	22,184	25,332
18,119	Lundin Mining Corporation	252,888	233,010	1,375	Autoliv, Inc.	94,808	83,078
2,200	Major Drilling Group International Inc.	96,883	97,636	5,640	British Sky Broadcasting Group PLC	64,885	76,952
1,300	Methanex Corporation	37,699	34,333	11,900	Cineplex Galaxy Income Fund	211,585	208,250
2,584	MG Technologies AG	69,844	95,599	100	Cinram International Income Fund	2,233	2,658
1,200	Minefinders Corporation Ltd.	11,850	14,544	6,200	Cogeco Cable Inc.	246,882	285,200
8,100	Mirabela Nickel Limited	43,403	38,394	885	Compagnie Generale des Etablissements Michelin Cl. B	84,894	132,150
46,200	Miramar Mining Corporation	213,385	210,210	5,200	Corus Entertainment Inc. Cl. B Non-Voting	213,880	258,128
1,272	Mittal Steel Company NV	62,977	85,120	1,053	DaimlerChrysler AG	69,596	103,865
8,600	Noranda Income Fund Cl. A	85,725	96,922	4,400	Gildan Activewear Inc. Cl. A Sub. Voting	123,028	159,896
55,300	Northgate Minerals Corporation	233,127	167,559	6,300	Great Canadian Gaming Corporation	77,094	81,018
4,409	Orica Limited	88,730	118,645	2,500	Isetan Company Limited	43,124	43,415
1,900	Polaris Minerals Corporation	15,287	24,700	2,600	Karstadt AG	101,988	93,162
10,600	Potash Corporation of Saskatchewan Inc.	593,710	879,906	1,388	KB Home	74,052	58,045
2,244	Rio Tinto Limited	153,126	200,183	18,200	Keystone North America Inc.	152,153	167,622
4,800	Roca Mines, Inc.	15,636	13,728	2,707	Lennar Corporation Cl. A	163,595	105,229
13,100	Sherritt International Corporation Restricted Voting	187,652	191,391	2,281	Liz Claiborne Incorporated	91,222	90,464
7,800	Shore Gold Inc.	57,391	37,908	3,100	Magna International Inc. Cl. A Sub. Voting	300,762	299,894
11,500	Silver Standard Resources Inc.	451,793	419,635	877	Metro AG	56,945	77,514
5,700	Silver Wheaton Corporation	68,253	70,737	17,500	Movie Distribution Income Fund	149,791	172,200
4,400	Silvercorp Metals Inc.	80,508	78,276	3,300	News Corporation CDI Cl. B	92,499	80,905
24,200	Sino-Forest Corporation	171,808	369,050	1,226	Publicis Groupe SA	61,613	57,556
2,350	Sprott Molybdenum Participation Corporation, Warrants (Exp. 04/16/09)	470	2,726	1,888	Pulte Homes Inc.	79,996	45,039
16,000	Sumitomo Metal Industries, Ltd.	83,778	99,835	13,900	Quebecor Inc. Cl. B	540,848	552,108
8,200	Taseko Mines Ltd.	29,480	32,390	30,000	Score Media, Inc. Cl. A Sub-Voting	44,663	66,600
13,100	Teck Cominco Limited Cl. B Sub. Voting	555,948	590,024	300	Shaw Communications Inc. Cl. B Non-Voting	13,492	13,413
1,000	The Canam Manac Group Inc. Cl. A Sub. Voting	7,830	10,380	1,200	Sony Corporation	57,767	65,258
17,600	Thompson Creek Metals Company, Inc	231,409	278,256	15,000	Television Broadcasts Ltd.	103,896	112,220
11,800	Uranium One, Inc.	197,918	160,126	11,500	The Forzani Group Ltd. Cl. A	211,652	268,065
12,200	Western Canadian Coal Corp.	35,337	33,672	2,005	The Home Depot, Inc.	88,585	83,889
		8,395,262	9,510,876	2,000	Tim Hortons, Inc.	64,860	65,400
				2,600	Toyota Motor Corporation	173,030	174,557
				1,674	Wal-Mart Stores, Inc.	85,919	85,619
				2,194	Wolters Kluwer NV	64,972	71,422
				5,000	Yamaha Motor Company	144,497	153,838
				7,700	Yell Group PLC	110,820	75,939
				34,800	Yellow Pages Income Fund	486,506	483,024
						5,851,601	6,065,341
	Industrials (5.3%)				Consumer Staples (1.3%)		
5,900	ACE Aviation Holdings Inc.	160,437	158,710	3,400	Alimentation Couche-Tard Inc. Cl. B Sub. Voting	82,135	74,630
5,600	Aecon Group Inc.	36,112	70,672	1,456	Archer-Daniels-Midland Company	53,348	51,194
1,500	AG Growth Income Fund	31,666	41,100	300	Corby Distilleries Ltd. Cl. A	6,990	7,350
581	Alstom	64,750	103,590	1,600	Cott Corporation	27,772	24,416
7,700	AutoCanada Income Fund	83,981	88,242	4,000	Kao Corporation	134,527	109,626
9,302	BAE Systems PLC	84,857	80,327	11,000	Metro Inc. Cl. A Sub. Voting	404,726	409,860
46,300	Bombardier Inc. Cl. B	222,738	294,931	200	Molson Coors Canada Inc. Cl. B	16,260	19,532
22,900	CAE Inc.	262,469	325,180	9,100	Saputo Inc.	408,655	400,218
12,000	Canadian National Railway Company	690,630	650,400	5,900	Saskatchewan Wheat Pool	47,790	64,782
1,054	Danaher Corporation	82,183	84,578	3	Scottish and Newcastle PLC	32	41
2,129	Esterline Technologies Corporation	100,881	109,320	4,090	Senomyx, Inc.	62,900	58,724
1,000	Fanuc Ltd.	107,660	109,195	2,100	The Jean Coutu Group (PJC) Inc. Cl. A Sub. Voting	29,826	32,529
24,400	Finning International Inc.	627,403	734,196	1,362	The Procter & Gamble Company	96,037	88,521
3,400	Groupe Laperriere & Verreault Inc. Cl. A Sub. Voting	93,061	138,414			1,370,998	1,341,423
192,000	Guangdong Investment Ltd.	95,697	118,831		Health Care (1.6%)		
12	Jazz Air Income Fund	92	98	2,416	Abbott Laboratories	140,493	137,573
627	LVMH Moet Hennessy Louis Vuitton SA	69,701	77,118	2,474	Amgen Inc.	209,755	145,454
14,500	Martinrea International Inc.	249,441	239,395	12,200	Axcan Pharma Inc.	237,229	250,466
918	Metso Corporation	53,596	57,841	2,600	Cardiome Pharma Corp.	38,271	25,350
2,600	Mitsubishi Corporation	69,809	72,153	1,493	DaVita, Inc.	86,531	85,444
21,300	New Flyer Industries Inc.	227,266	244,098				
17,700	Newalta Income Fund	461,440	453,297				
1,604	Norfolk Southern Corp.	90,507	89,596				
6,315	Rolls-Royce Group PLC	64,115	72,554				
500	Russel Metals Inc.	13,294	15,330				
2,846	Skanska AB	60,125	65,198				
2,333	Smiths Group Plc	70,999	58,934				

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Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
4,142	Koninklijke (Royal) KPN NV	64,542	73,314
2,900	Manitoba Telecom Services Inc.	142,586	135,981
29,500	Rogers Communications Inc. Cl. B	1,088,455	1,333,400
2,900	TELUS Corporation	144,617	184,585
28,726	Vodafone Group PLC	88,632	102,657
		<u>2,881,257</u>	<u>3,505,693</u>
Utilities (0.9%)			
10,400	ATCO Ltd. Cl. 1 Non-Voting	475,666	580,736
300	Canadian Utilities Limited Cl. A	13,897	13,836
200	Enbridge Income Fund	2,641	2,266
2,600	Fortis, Inc.	68,666	67,600
4,830	National Grid PLC	70,637	76,051
52,400	Tonbridge Power, Inc.	20,238	14,148
33,550	Tonbridge Power, Inc. Warrants (Exp. 10/27/07)	–	–
1,900	TransAlta Corporation	50,387	50,749
12,800	TransAlta Power, L.P.	100,578	100,736
		<u>802,710</u>	<u>906,122</u>
Short-Term Notes (Schedule 1) (3.4%)		<u>3,477,970</u>	<u>3,477,970</u>
Adjustment for Transaction Costs (Note 2)		<u>(29,743)</u>	<u>–</u>
Total Investments (99.0%)		<u>96,970,997</u>	<u>100,861,356</u>
Futures Contracts Value – (Schedule 2) (0.0%)			622
Foreign Currency Forward Contracts – (Schedule 3) (0.1%)			79,578
Total Investment Portfolio (99.1%)			<u>100,941,556</u>
Other Assets, Less Liabilities (0.9%)			<u>964,739</u>
Total Net Assets (100.0%)			<u>101,906,295</u>
Net Assets Per Unit			\$17.07

ADR – American Depository Receipt
GDR – Global Depository Receipt
REIT – Real Estate Investment Trust

**Schedule 1
Short-Term Notes**

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$ 300,000	Bank of Montreal BDN	09/11/2007	297,377	297,377
50,000	Canadian Imperial Bank of Commerce BA	08/01/2007	49,818	49,818
300,000	Canadian Imperial Bank of Commerce BA	08/07/2007	298,684	298,684
300,000	Canadian Imperial Bank of Commerce BA	08/31/2007	297,802	297,802
100,000	Canadian Imperial Bank of Commerce BA	09/04/2007	99,214	99,214
250,000	Government of Canada Treasury Bill	07/06/2007	249,857	249,857
100,000	Government of Canada Treasury Bill	07/26/2007	99,717	99,717
250,000	Government of Canada Treasury Bill	08/09/2007	248,871	248,871
1,600,000	Government of Canada Treasury Bill	09/06/2007	1,587,488	1,587,488
250,000	The Toronto-Dominion Bank BA	07/30/2007	249,142	249,142
Total Short-Term Notes			<u>3,477,970</u>	<u>3,477,970</u>

**Schedule 2
Futures Contracts Value**

Futures	Contracts	Expiration Date	Country	Exercise Price (\$)	Market Value (\$)
Australian 10 Year Treasury Bond Future	5	09/17/2007	Australia	443,696	444,684
Canadian 10 Year Bond Future	16	09/19/2007	Canada	1,774,790	1,772,320
Federal Republic of Germany 10 Year Bond Future	3	09/06/2007	Germany	476,437	478,754
UK Treasury Bond Future	1	09/26/2007	UK	221,205	221,613
US Treasury Notes 10 Year Future	(11)	09/19/2007	US	(1,236,410)	(1,237,031)
				<u>1,679,718</u>	<u>1,680,340</u>
Exercise Price					<u>(1,679,718)</u>
Total Futures Contracts Value					<u>622</u>

**Schedule 3
Foreign Currency Forward Contracts Value**

Contracts	Pay	Receive	Due Date	Credit Rating (1)	Market Value (\$)
1	697,900 Canadian Dollar	658,900 U.S. Dollar	08/10/2007	AA–	2,143
1	100,000 Euro Dollar	150,849 Canadian Dollar	08/10/2007	AA–	7,003
1	650,000 U.S. Dollar	718,458 Canadian Dollar	08/10/2007	AA–	27,870
1	993,000 U.S. Dollar	1,097,583 Canadian Dollar	08/10/2007	AA–	42,577
1	69,300 U.S. Dollar	73,519 Canadian Dollar	10/14/2007	AA–	(15)
Total Foreign Currency Forward Contracts Value					<u>79,578</u>

Portfolio Advisor:
Connor, Clark & Lunn Investment Management Ltd.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle Strategic Balanced Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$ 100,861,356	\$ 94,367,735
Cash	465,338	273,178
Margin deposits	4,886	14,058
Receivable on open futures contracts	622	–
Receivable on open forward contracts	79,578	–
Subscriptions receivable	304,139	530,846
Receivable for securities sold	1,897,850	2,302,824
Accrued investment income	395,205	463,408
	<u>104,008,974</u>	<u>97,952,049</u>
Liabilities		
Payable on open futures contracts	–	16,651
Payable on open spot and forward contracts	–	56,647
Payable for securities purchased	1,758,128	937,718
Redemptions payable	257,712	85,701
Accrued expenses	86,839	83,001
	<u>2,102,679</u>	<u>1,179,718</u>
Net assets representing unitholders' equity	<u>\$ 101,906,295</u>	<u>\$ 96,772,331</u>
Number of units outstanding	<u>5,971,067</u>	<u>5,881,522</u>
Net assets per unit	<u>\$ 17.07</u>	<u>\$ 16.45</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 441,948	\$ 375,557
Interest	1,164,033	1,218,244
Securities lending income	5,795	1,352
Income (loss) from derivatives	–	1,391
Less: Foreign withholding taxes	(17,085)	(14,105)
	<u>1,594,691</u>	<u>1,582,439</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,986	7,054
Custody fees	107,689	5,108
Interest	–	2,501
Filing fees	6,643	6,456
Unitholder reporting costs	13,525	11,582
Unitholder administration, service fees and GST	59,877	44,809
	<u>196,828</u>	<u>77,510</u>
Net investment income (loss)	<u>1,397,863</u>	<u>1,504,929</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	4,377,588	16,550,614
Net realized gain (loss) on foreign exchange	27,701	(254,062)
Net realized gain (loss) from trust units/underlying funds	(12,367)	9,975
Gain (loss) on derivative investments	(18,042)	–
Increase (decrease) in unrealized appreciation (depreciation) of investments	(653,822)	(17,761,664)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	131,684	722
Transaction costs (Note 2)	(127,266)	–
Net gain (loss) on investments	<u>3,725,476</u>	<u>(1,454,415)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 5,123,339</u>	<u>\$ 50,514</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.86</u>	<u>\$ 0.01</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
Net Assets, Beginning of Period	\$ 96,772,331	\$ 91,419,263
New accounting policy adjustment (Note 2)	(126,821)	–
Increase (decrease) in net assets from operations	5,123,339	50,514
Distributions to unitholders investment income	(1,336,548)	(1,473,396)
	<u>100,432,301</u>	<u>89,996,381</u>
Unit Transactions:		
Proceeds from issue	16,170,449	12,056,675
Reinvested distributions	1,335,858	1,471,724
Payments on redemption	(16,032,313)	(14,026,929)
	<u>1,473,994</u>	<u>(498,530)</u>
Increase (decrease) in net assets	<u>5,133,964</u>	<u>(1,921,412)</u>
Net Assets, End of Period	<u>\$ 101,906,295</u>	<u>\$ 89,497,851</u>

Pinnacle Canadian Value Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Energy (25.2%)			
88,300	Canadian Natural Resources Limited	1,601,469	6,232,214
80,000	CHC Helicopter Corporation Cl. A Sub. Voting	1,108,843	2,200,000
99,000	EnCana Corporation	3,720,658	6,486,480
25,100	Husky Energy Inc.	1,224,271	2,196,250
95,900	Nexen Inc.	1,669,985	3,164,700
116,000	Petro-Canada	2,684,864	6,550,520
41,200	Precision Drilling Trust	1,315,304	1,071,200
65,000	Suncor Energy, Inc.	2,035,805	6,218,550
205,400	Talisman Energy Inc.	1,507,587	4,227,132
20,600	Trican Well Service Ltd.	455,427	445,990
		<u>17,324,213</u>	<u>38,793,036</u>
Materials (15.8%)			
86,200	Alcan Inc.	4,196,481	7,460,610
110,500	Aur Resources Inc.	691,083	3,487,380
4,200	FNX Mining Company Inc.	69,510	135,198
17,300	IPSCO Inc.	568,968	2,904,151
81,700	Lundin Mining Corporation	1,031,942	1,050,662
44,200	NOVA Chemicals Corporation	1,576,101	1,674,296
170,632	Teck Cominco Limited Cl. B Sub. Voting	1,808,004	7,685,265
		<u>9,942,089</u>	<u>24,397,562</u>
Industrials (7.8%)			
205,600	Bombardier Inc. Cl. B	1,908,140	1,309,672
130,800	CAE Inc.	1,240,313	1,857,360
111,000	Canadian National Railway Company	2,967,609	6,016,200
32,000	CP Railway Limited	1,840,651	2,344,000
33,300	Quebecor World Inc. Sub. Voting	789,734	430,902
		<u>8,746,447</u>	<u>11,958,134</u>
Consumer Discretionary (5.2%)			
21,200	Canadian Tire Corporation, Limited Cl. A	503,728	1,770,624
31,200	Magna International Inc. Cl. A Sub. Voting	2,274,895	3,018,288
69,100	Mega Brands Inc.	1,534,610	1,431,752
43,400	Quebecor Inc. Cl. B	1,667,105	1,723,848
		<u>5,980,338</u>	<u>7,944,512</u>
Consumer Staples (2.4%)			
67,800	Alimentation Couche-Tard Inc. Cl. B Sub. Voting	1,365,151	1,488,210
26,600	Saputo Inc.	758,030	1,169,868
63,600	The Jean Coutu Group (PJC) Inc. Cl. A Sub. Voting	1,051,753	985,164
		<u>3,174,934</u>	<u>3,643,242</u>
Health Care (0.3%)			
58,800	Angiotech Pharmaceuticals, Inc.	1,084,040	443,940
Financials (30.6%)			
49,300	Bank of Montreal	1,669,853	3,372,120
100,700	Canadian Imperial Bank of Commerce	5,736,314	9,643,032
36,100	IGM Financial Inc.	768,626	1,868,897
68,400	Kingsway Financial Services Inc.	730,745	1,352,268
134,300	Manulife Financial Corporation	2,937,115	5,341,111
43,300	National Bank of Canada	2,773,837	2,657,321
119,800	Royal Bank of Canada	4,048,082	6,768,700
92,500	Sun Life Financial Inc.	3,266,425	4,695,300
135,600	The Toronto-Dominion Bank	5,366,912	9,879,816
35,300	TSX Group Inc.	1,569,487	1,468,833
		<u>28,867,396</u>	<u>47,047,398</u>
Information Technology (3.8%)			
58,600	Aastra Technologies Limited	744,421	2,226,800
24,600	MacDonald, Dettwiler and Associates Ltd.	1,055,541	1,082,154
37,631	Nortel Networks Corporation	7,861,008	962,601
70,900	Open Text Corporation	1,294,375	1,632,827
		<u>10,955,345</u>	<u>5,904,382</u>
Telecommunication Services (3.8%)			
28,900	Manitoba Telecom Services Inc.	1,151,384	1,355,121
49,200	Rogers Communications Inc. Cl. B	1,093,551	2,223,840

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
35,700	TELUS Corporation	1,113,401	2,272,305
		<u>3,358,336</u>	<u>5,851,266</u>
Short Term Notes (Schedule 1) (4.7%)		<u>7,370,000</u>	<u>7,370,000</u>
Adjustment for Transaction Costs (Note 2)		<u>(62,322)</u>	<u>-</u>
Total Investment Portfolio (99.6%)		<u>96,740,816</u>	<u>153,353,472</u>
Other Assets, Less Liabilities (0.4%)			<u>628,543</u>
Total Net Assets (100.0%)			<u>153,982,015</u>
Net Assets Per Unit			\$22.39

Schedule 1

Short-Term Notes

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$7,370,000	Royal Bank of Canada 4.20%	07/03/2007	7,370,000	7,370,000
Total Short-Term Notes			<u>7,370,000</u>	<u>7,370,000</u>

Pinnacle Canadian Value Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$153,353,472	\$129,142,438
Cash	81,845	212,501
Subscriptions receivable	481,196	517,030
Accrued investment income	331,894	286,556
	<u>154,248,407</u>	<u>130,158,525</u>
Liabilities		
Redemptions payable	218,019	284,223
Accrued expenses	48,373	45,159
	<u>266,392</u>	<u>329,382</u>
Net assets representing unitholders' equity	<u>\$153,982,015</u>	<u>\$129,829,143</u>
Number of units outstanding	<u>6,878,521</u>	<u>6,382,171</u>
Net assets per unit	<u>\$ 22.39</u>	<u>\$ 20.34</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 1,304,385	\$ 879,801
Interest	218,450	172,687
Securities lending income	4,851	2,888
	<u>1,527,686</u>	<u>1,055,376</u>
Expenses		
Legal fees	1,108	–
Audit fees	8,482	7,054
Custody fees	9,337	5,703
Interest	–	806
Filing fees	6,643	6,456
Unitholder reporting costs	28,282	19,841
Unitholder administration, service fees and GST	74,066	62,442
	<u>127,918</u>	<u>102,302</u>
Net investment income (loss)	<u>1,399,768</u>	<u>953,074</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	1,147,917	1,743,299
Net realized gain (loss) on foreign exchange	298	(436)
Increase (decrease) in unrealized appreciation (depreciation) of investments	11,364,682	3,424,725
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(97)	104
Transaction costs (Note 2)	(25,331)	–
Net gain (loss) on investments	<u>12,487,469</u>	<u>5,167,692</u>
Increase (Decrease) in Net Assets from Operations	<u>\$13,887,237</u>	<u>\$6,120,766</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 2.08</u>	<u>\$ 0.98</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$129,829,143	\$111,391,114
New accounting policy adjustment (Note 2)	(105,744)	–
Increase (decrease) in net assets from operations	<u>13,887,237</u>	<u>6,120,766</u>
	<u>143,610,636</u>	<u>117,511,880</u>
Unit Transactions:		
Proceeds from issue	26,452,563	15,922,015
Payments on redemption	(16,081,184)	(19,009,266)
	<u>10,371,379</u>	<u>(3,087,251)</u>
Increase (decrease) in net assets	<u>24,152,872</u>	<u>3,033,515</u>
Net Assets, End of Period	<u>\$153,982,015</u>	<u>\$114,424,629</u>

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	Schedule 1 Short-Term Notes				
Energy (26.4%)				Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
31,800	Canadian Natural Resources Limited	744,587	2,244,444	\$1,400,000	Government of Canada Treasury Bills	08/09/2007	1,393,684	1,393,684
23,500	CHC Helicopter Corporation Cl. A Sub. Voting	541,374	646,250	Total Short-Term Notes				
136,700	Enerflex Systems Income Fund	1,763,006	1,435,350	<u>1,393,684</u> <u>1,393,684</u>				
74,200	Ensign Energy Services, Inc.	748,959	1,409,800					
26,750	Husky Energy Inc.	510,738	2,340,625					
98,300	Pason Systems Inc.	1,471,228	1,630,797					
59,300	Precision Drilling Trust	1,708,042	1,541,800					
31,800	Real Resources Inc.	553,499	291,606					
105,400	Savannah Energy Services Corp.	2,381,859	2,086,920					
36,500	ShawCor Ltd. Cl. A Sub. Voting	596,068	1,186,615					
		<u>11,019,360</u>	<u>14,814,207</u>					
Materials (14.5%)								
21,700	Agrium Inc.	366,051	1,008,399					
120,500	Canfor Corporation	1,402,273	1,618,315					
44,600	Cascades Inc.	608,179	507,994					
20,300	CCL Industries Inc. Cl. B	579,159	785,610					
198,100	Norbord Inc.	1,703,518	1,838,368					
31,300	NOVA Chemicals Corporation	1,162,592	1,185,644					
76,000	Sino-Forest Corporation	287,273	1,159,000					
		<u>6,109,045</u>	<u>8,103,330</u>					
Industrials (6.3%)								
75,800	Russel Metals Inc.	1,348,286	2,324,028					
58,600	Transcontinental Inc. Cl. A Sub. Voting	1,348,748	1,225,326					
		<u>2,697,034</u>	<u>3,549,354</u>					
Consumer Discretionary (17.5%)								
72,400	CanWest Global Communications Corp. Sub. Voting	677,111	675,492					
28,500	Dorel Industries Inc. Cl. B Sub. Voting	824,352	1,035,690					
47,500	Linamar Corporation	572,648	915,325					
12,400	Magna International Inc. Cl. A Sub. Voting	1,084,594	1,199,576					
64,500	MEGA Brands Inc.	1,510,067	1,336,440					
54,000	RONA Inc.	1,231,616	1,198,800					
64,600	The Forzani Group Ltd. Cl. A	810,713	1,505,826					
49,900	TVA Group Inc. Cl. B	864,509	883,230					
34,400	Uni-Select Inc.	1,027,006	1,054,016					
		<u>8,602,616</u>	<u>9,804,395</u>					
Health Care (1.6%)								
33,400	Biovail Corporation	807,232	900,130					
Financials (24.7%)								
35,400	Home Capital Group Inc. Cl. B Sub. Voting	1,199,168	1,300,950					
26,300	IGM Financial Inc.	1,078,559	1,361,551					
60,750	Industrial Alliance Insurance and Financial Services Inc.	1,945,679	2,372,287					
10,000	ING Canada Inc.	463,596	474,200					
63,350	Kingsway Financial Services Inc.	1,399,196	1,252,430					
11,800	Morguard Corp.	230,441	572,300					
32,800	National Bank of Canada	2,074,098	2,012,936					
74,100	Northbridge Financial Corp.	2,261,497	2,577,939					
37,450	Sun Life Financial Inc.	1,670,138	1,900,962					
		<u>12,322,372</u>	<u>13,825,555</u>					
Information Technology (4.9%)								
150,400	CGI Group Inc. Cl. A Sub. Voting	1,187,880	1,795,776					
41,800	Open Text Corporation	777,979	962,654					
		<u>1,965,859</u>	<u>2,758,430</u>					
Telecommunication Services (1.0%)								
17,300	Bell Aliant Regional Communications Income Fund	583,010	542,355					
Short Term Notes (Schedule 1) (2.5%)								
		1,393,684	1,393,684					
Adjustment for Transaction Costs (Note 2)								
		(61,914)	–					
Total Investment Portfolio (99.4%)								
		<u>45,438,298</u>	<u>55,691,440</u>					
Other Assets, Less Liabilities (0.6%)								
			352,161					
Total Net Assets (100.0%)								
			<u>56,043,601</u>					
Net Assets Per Unit								
			<u>\$18.56</u>					

Portfolio Advisor: Foyston, Gordon & Payne Inc.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle Canadian Mid Cap Value Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$55,691,440	\$47,876,205
Cash	117,530	62,519
Subscriptions receivable	127,664	218,771
Receivable for securities sold	116,584	–
Accrued investment income	125,050	97,219
	<u>56,178,268</u>	<u>48,254,714</u>
Liabilities		
Payable for securities purchased	–	571,022
Redemptions payable	89,273	73,790
Accrued expenses	45,394	43,132
	<u>134,667</u>	<u>687,944</u>
Net assets representing unitholders' equity	<u>\$56,043,601</u>	<u>\$47,566,770</u>
Number of units outstanding	<u>3,020,341</u>	<u>2,905,455</u>
Net assets per unit	<u>\$ 18.56</u>	<u>\$ 16.37</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 570,042	\$ 377,222
Interest	24,484	19,291
Securities lending income	27,463	24,304
	<u>621,989</u>	<u>420,817</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,490	7,054
Custody fees	5,574	3,173
Filing fees	6,643	6,456
Unitholder reporting costs	23,730	10,129
Unitholder administration, service fees and GST	51,434	41,748
	<u>95,979</u>	<u>68,560</u>
Net investment income (loss)	<u>526,010</u>	<u>352,257</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	6,008,497	658,942
Net realized gain (loss) on foreign exchange	(831)	(165)
Increase (decrease) in unrealized appreciation (depreciation) of investments	216,135	(576,088)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(40)	(126)
Transaction costs (Note 2)	(42,860)	–
	<u>6,180,901</u>	<u>82,563</u>
Net gain (loss) on investments	<u>\$6,706,911</u>	<u>\$ 434,820</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 2.24</u>	<u>\$ 0.16</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 2.24</u>	<u>\$ 0.16</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$47,566,770	\$40,849,263
New accounting policy adjustment (Note 2)	(125,402)	–
Increase (decrease) in net assets from operations	6,706,911	434,820
	<u>54,148,279</u>	<u>41,284,083</u>
Unit Transactions:		
Proceeds from issue	9,296,039	6,636,971
Payments on redemption	(7,400,717)	(6,957,323)
	<u>1,895,322</u>	<u>(320,352)</u>
Increase (decrease) in net assets	<u>8,476,831</u>	<u>114,468</u>
Net Assets, End of Period	<u>\$56,043,601</u>	<u>\$40,963,731</u>

Pinnacle Canadian Growth Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Energy (26.8%)				Consumer Staples (2.0%)			
250,800	Birchcliff Energy Ltd.	1,148,589	1,131,108	160,200	Alimentation Couche-Tard Inc. Cl. B Sub. Voting	3,911,405	3,516,390
60,041	Canadian Natural Resources Limited	3,425,657	4,237,694	Health Care (1.4%)			
53,100	Canadian Oil Sands Trust	1,505,150	1,747,521	251,400	BioMS Medical Corp.	778,058	610,902
30,230	CHC Helicopter Corporation Cl. A Sub. Voting	770,988	831,325	54,650	BioMS Medical Corp. Warrants (Exp. 05/23/2010)	22,953	-
40,200	Crescent Point Energy Trust	799,179	788,724	32,750	BioMS Medical Corp. Warrants (Exp. 05/30/2010)	-	-
82,400	Cyries Energy Inc.	970,623	929,472	169,300	Cangene Corp.	1,373,180	1,230,811
27,700	Duvernay Oil Corp.	991,052	1,006,341	69,600	Cardiome Pharma Corp.	783,700	678,600
102,500	EnCana Corporation	5,171,018	6,715,800	1,137	World Heart Corporation	278,992	1,899
59,000	Highpine Oil & Gas Ltd. Cl. A	888,358	840,750	625	World Heart Corporation Restricted	56,064	1,044
96,800	Nexen Inc.	3,017,208	3,194,400	43,800	World Heart Corporation Warrants (Exp. 12/30/07)	-	-
119,800	OPTI Canada Inc.	2,389,961	2,720,658	Financials (28.3%)			
43,162	Petro-Canada	1,916,554	2,437,358	59,400	Bank of Montreal	4,082,927	4,062,960
83,300	Savannah Energy Services Corp.	1,635,814	1,649,340	125,782	Canaccord Capital Inc.	2,398,978	2,615,008
56,900	Stratic Energy Corporation	72,867	63,728	85,000	Canadian Western Bank	2,092,129	2,390,200
482,800	Stratic Energy Corporation Restricted	651,780	540,736	95,900	Dundee Wealth Management Inc.	1,217,093	1,558,375
80,600	Suncor Energy, Inc.	6,286,936	7,711,002	4,492	E-L Financial Corporation Limited	1,409,395	2,969,212
123,700	Synenco Energy Inc. Cl. A	1,936,817	1,874,055	77,600	GMP Capital Trust	1,576,184	1,835,240
151,910	Talisman Energy Inc.	2,571,094	3,126,308	34,400	Great-West Lifeco Inc.	1,205,251	1,188,520
105,600	TransCanada Corporation	3,981,860	3,868,128	196,180	Manulife Financial Corporation	7,009,871	7,802,078
259,100	West Energy Ltd.	1,381,634	1,114,130	211,270	Royal Bank of Canada	9,814,429	11,936,755
41,700	Western Oil Sands Inc.	1,306,600	1,480,350	79,400	Sun Life Financial Inc.	4,136,580	4,030,344
		<u>42,819,739</u>	<u>48,008,928</u>	143,200	The Toronto-Dominion Bank	8,466,918	10,433,552
Materials (15.7%)				Information Technology (5.3%)			
71,300	Agnico-Eagle Mines Limited	3,086,157	2,760,023	157,900	COM DEV International Ltd.	902,868	843,186
46,100	Alcan Inc.	2,739,794	3,989,955	52,800	DragonWave Inc.	236,544	237,600
135,215	Anvil Mining Limited	2,195,660	2,297,303	99,300	Gannum Corporation	1,248,168	1,103,223
72,700	Aurelian Resources Inc.	2,373,493	1,880,022	47,100	Miranda Technologies Inc.	508,209	432,378
180,500	Baffinland Iron Mines Corporation	461,011	579,405	96,400	Q9 Networks Inc.	1,351,960	1,347,672
54,200	Baffinland Iron Mines Corporation Warrants (Exp. 01/31/2012)	-	60,704	18,700	Research In Motion Limited	2,244,397	3,988,336
86,006	Barrick Gold Corporation	2,765,765	2,658,445	130,800	Sandvine Corporation	676,010	765,180
205,000	Eldorado Gold Corporation	1,365,628	1,277,150	168,300	The Descartes Systems Group Inc.	822,968	727,056
59,500	Gold Eagle Mines Ltd.	536,226	384,965	Telecommunication Services (6.2%)			
133,243	Goldcorp Inc.	3,877,105	3,357,724	58,800	BCE Inc.	2,370,270	2,369,052
205,000	Lundin Mining Corporation	2,750,505	2,636,300	50,800	Rogers Communications Inc. Cl. B	1,599,048	2,296,160
64,400	Northern Dynasty Minerals Ltd.	704,808	799,848	92,300	Stratos Global Corp.	618,945	626,717
66,000	Polaris Minerals Corporation	607,606	858,000	62,700	TELUS Corporation	3,549,962	3,990,855
265,000	Revelt Minerals Inc.	270,352	296,800	28,400	TELUS Corporation Non-Voting	1,611,738	1,775,852
129,000	Shore Gold Inc.	754,096	626,940	Utilities (0.4%)			
45,700	Silver Wheaton Corporation	554,204	567,137	114,094	Canadian Hydro Developers, Inc.	577,430	705,101
53,800	Sino-Forest Corporation	704,076	820,450	Adjustment for Transaction Costs (Note 2)			
34,700	Teck Cominco Limited Cl. B Sub. Voting	1,321,607	1,562,888	(254,108)			
63,300	Yamana Gold Inc.	913,743	748,839	Total Investment Portfolio (97.9%)			
		<u>27,981,836</u>	<u>28,162,898</u>	<u>159,789,169</u>			
Industrials (6.2%)				Other Assets, Less Liabilities (2.1%)			
95,700	ACE Aviation Holdings Inc.	2,158,537	2,574,330	<u>3,801,540</u>			
32,400	Air Canada Inc. Cl. B	438,686	447,768	Total Net Assets (100.0%)			
107,700	CAE Inc.	1,378,306	1,529,340	<u>179,357,858</u>			
31,100	Canadian National Railway Company	1,593,661	1,685,620	Net Assets Per Unit			
201,830	Jazz Air Income Fund	1,801,194	1,650,969	\$17.29			
61,200	Russel Metals Inc.	1,696,881	1,876,392				
22,600	SNC-Lavalin Group Inc.	681,652	875,750				
35,000	WestJet Airlines Ltd.	542,803	546,000				
		<u>10,291,720</u>	<u>11,186,169</u>				
Consumer Discretionary (5.6%)							
87	Aeroplan Income Fund	1,433	1,837				
26,374	Gildan Activewear Inc. Cl. A Sub. Voting	744,095	958,431				
59,200	Lions Gate Entertainment Corp.	727,337	693,214				
88,200	Shaw Communications Inc. Cl. B Non-Voting	3,769,410	3,943,422				
56,950	The Thomson Corporation	2,595,791	2,471,061				
63,000	Tim Hortons, Inc.	2,179,292	2,060,100				
		<u>10,017,358</u>	<u>10,128,065</u>				

Portfolio Advisor: Aurion Capital Management Inc.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle Canadian Growth Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$175,556,318	\$153,150,074
Cash	3,537,241	1,140,139
Subscriptions receivable	525,803	610,401
Receivable for securities sold	2,398,113	1,021,937
Accrued investment income	190,272	248,612
	<u>182,207,747</u>	<u>156,171,163</u>
Liabilities		
Payable for securities purchased	2,352,752	299,625
Redemptions payable	446,256	304,419
Accrued expenses	50,881	47,872
	<u>2,849,889</u>	<u>651,916</u>
Net assets representing unitholders' equity	<u>\$179,357,858</u>	<u>\$155,519,247</u>
Number of units outstanding	<u>10,371,141</u>	<u>9,774,108</u>
Net assets per unit	<u>\$ 17.29</u>	<u>\$ 15.91</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 997,754	\$ 976,242
Interest	273,693	42,539
Securities lending income	24,121	4,350
Less: Foreign withholding taxes	(714)	–
	<u>1,294,854</u>	<u>1,023,131</u>
Expenses		
Legal fees	1,108	–
Audit fees	8,482	7,053
Custody fees	23,962	20,381
Interest	–	1,160
Filing fees	6,643	6,456
Unitholder reporting costs	25,452	19,161
Unitholder administration, service fees and GST	69,830	62,045
	<u>135,477</u>	<u>116,256</u>
Net investment income (loss)	<u>1,159,377</u>	<u>906,875</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	14,384,621	16,425,905
Net realized gain (loss) on foreign exchange	(5)	(934)
Net realized gain (loss) from trust units/ underlying funds	(262)	–
Increase (decrease) in unrealized appreciation (depreciation) of investments	(661,760)	(9,295,307)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(35)	71
Transaction costs (Note 2)	(513,596)	–
Net gain (loss) on investments	<u>13,208,963</u>	<u>7,129,735</u>
Increase (Decrease) in Net Assets from Operations	<u>\$14,368,340</u>	<u>\$ 8,036,610</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 1.42</u>	<u>\$ 0.96</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$155,519,247	\$127,991,023
New accounting policy adjustment (Note 2)	(242,828)	–
Increase (decrease) in net assets from operations	<u>14,368,340</u>	<u>8,036,610</u>
	<u>169,644,759</u>	<u>136,027,633</u>
Unit Transactions:		
Proceeds from issue	33,549,020	20,807,471
Payments on redemption	(23,835,921)	(22,212,476)
	<u>9,713,099</u>	<u>(1,405,005)</u>
Increase (decrease) in net assets	<u>23,838,611</u>	<u>6,631,605</u>
Net Assets, End of Period	<u>\$179,357,858</u>	<u>\$134,622,628</u>

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	
Energy (25.0%)				Financials (25.4%)				
64,876	AltaGas Income Trust	1,399,983	1,643,309	190,407	Canadian Western Bank	2,076,472	5,354,245	
109,200	Canadian Energy Services LP Cl. A	973,813	829,920	104,380	Coventree Inc.	1,399,053	1,487,415	
145,658	CCS Income Trust	2,852,566	6,660,941	101,417	DirectCash Income Fund	1,539,366	1,551,680	
140,900	CHC Helicopter Corporation Cl. A Sub. Voting	3,023,873	3,874,750	74,376	EGI Financial Holdings, Inc.	772,836	919,287	
153,661	Crescent Point Energy Trust	2,760,948	3,014,829	105,182	Equitable Group Inc.	2,826,153	3,371,083	
50,560	Horizon North Logistics Inc.	127,914	164,320	143,970	First National Financial Income Fund	1,637,525	3,037,767	
120,000	Mullen Group Income Fund	2,472,065	2,541,600	85,860	FirstService Corporation Sub. Voting	1,713,970	3,290,155	
331,700	ProspEx Resources Ltd.	1,222,606	1,476,065	68,400	Grey Horse Corporation	367,462	752,400	
75,983	ShawCor Ltd. Cl. A Sub. Voting	1,147,218	2,470,207	83,900	Home Capital Group Inc. Cl. B Sub. Voting	1,405,795	3,083,325	
42,400	Zargon Energy Trust	1,079,955	1,161,760	59,000	Morneau Sobeco Income Fund	722,777	746,940	
60,224	Zargon Oil & Gas Ltd.	309,831	2,048,218	1,533	Olympia Financial Group Inc.	33,772	35,106	
		<u>17,370,772</u>	<u>25,885,919</u>	270,524	Parkbridge Lifestyles Communities Inc. Cl. A Non-Voting	1,496,669	1,704,301	
				124,988	Parkbridge Lifestyles Communities Inc.	692,572	806,173	
Materials (8.9%)				141,878	TIO Networks Corp	135,342	219,911	
120,500	International Forest Products Limited Cl. A Sub. Voting	885,494	1,084,500			<u>16,819,764</u>	<u>26,359,788</u>	
378,100	Neo Material Technologies, Inc.	1,159,369	1,417,875	Information Technology (2.1%)				
40,300	Omni-Lite Industries Canada Inc.	106,733	91,078	83,706	Constellation Software Inc.	1,761,307	2,050,797	
60,000	Opta Minerals Inc.	232,750	300,000	42,911	Solium Capital Inc.	87,494	95,692	
272,995	Supremex Income Fund	2,669,214	2,596,183			<u>1,848,801</u>	<u>2,146,489</u>	
270,600	The Canam Manac Group Inc. Cl. A Sub. Voting	2,645,498	2,808,828	Utilities (1.1%)				
121,760	Winpak Ltd.	1,334,946	948,510	59,398	AtlasGas Utility Group Inc.	476,255	421,726	
		<u>9,034,004</u>	<u>9,246,974</u>	59,200	Caribbean Utilities Company Ltd. Cl. A	933,243	739,805	
Industrials (31.5%)						<u>1,409,498</u>	<u>1,161,531</u>	
222,319	Contrans Income Fund	2,495,964	2,489,973	Short-Term Notes (Schedule 1) (1.3%)				
158,300	Exco Technologies Ltd.	1,013,614	731,346			<u>1,374,510</u>	<u>1,374,510</u>	
77,020	Genivar Income Fund	841,362	1,329,365	Adjustment for Transaction Costs (Note 2)				
130,310	Global Railway Industries Ltd.	464,883	549,908			<u>(118,174)</u>	<u>-</u>	
107,500	Groupe Laperriere & Verreault Inc. Cl. A Sub. Voting	1,228,763	4,376,325	Total Investment Portfolio (99.7%)				
97,013	Marsulex Inc.	887,653	1,290,273			<u>69,636,557</u>	<u>103,298,716</u>	
121,000	Richelieu Hardware Ltd.	2,209,878	2,940,300	Other Assets, Less Liabilities (0.3%)				
13,679	Ritchie Bros. Auctioneers Incorporated	403,259	904,592				<u>334,111</u>	
175,401	Russel Metals Inc.	1,683,729	5,377,795	Total Net Assets (100.0%)				
116,406	Stantec Inc.	1,529,683	4,057,913				<u>103,632,827</u>	
94,700	Steeplejack Industrial Group Inc.	488,006	857,982	Net Assets Per Unit				
159,647	Transat A.T. Inc. Cl. B	3,457,200	5,105,511				\$24.12	
7,400	Transcontinental Inc. Cl. A Sub. Voting	152,885	154,734	Schedule 1				
241,984	ZCL Composites Inc.	1,549,024	2,463,397	Short-Term Notes				
		<u>18,405,903</u>	<u>32,629,414</u>	Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
Consumer Discretionary (3.0%)				\$1,383,000	Government of Canada Treasury Bill			
6,500	The McGraw-Hill Ryerson Ltd.	226,355	325,000	4.17%		08/23/2007	1,374,510	1,374,510
92,200	Uni-Select Inc.	2,111,679	2,825,008	Total Short-Term Notes				
		<u>2,338,034</u>	<u>3,150,008</u>				<u>1,374,510</u>	<u>1,374,510</u>
Consumer Staples (0.5%)								
18,700	Van Houtte Inc., Sub. Voting	380,397	464,508					
Health Care (0.9%)								
75,500	Futuremed Healthcare Income Fund	773,048	879,575					

Portfolio Advisor: Mawer Investment Management Ltd.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle Canadian Small Cap Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$ 103,298,716	\$ 83,828,551
Cash	10,866	11,366
Subscriptions receivable	316,702	491,441
Receivable for securities sold	272,955	136,168
Accrued investment income	309,881	184,576
	<u>104,209,120</u>	<u>84,652,102</u>
Liabilities		
Payable for securities purchased	200,915	87,747
Redemptions payable	335,536	168,058
Accrued expenses	39,842	36,595
	<u>576,293</u>	<u>292,400</u>
Net assets representing unitholders' equity	<u>\$103,632,827</u>	<u>\$ 84,359,702</u>
Number of units outstanding	<u>4,296,693</u>	<u>4,045,778</u>
Net assets per unit	<u>\$ 24.12</u>	<u>\$ 20.85</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 346,008	\$ 467,599
Interest	1,136,726	537,739
Securities lending income	541	155
	<u>1,483,275</u>	<u>1,005,493</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,986	7,054
Custody fees	13,184	9,421
Interest	–	169
Filing fees	6,643	6,456
Unitholder reporting costs	26,514	16,390
Unitholder administration, service fees and GST	65,689	55,438
	<u>121,124</u>	<u>94,928</u>
Net investment income (loss)	<u>1,362,151</u>	<u>910,565</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	4,734,219	3,439,588
Net realized gain (loss) on foreign exchange	(302)	140
Net realized gain (loss) from trust units/underlying funds	892	10,418
Increase (decrease) in unrealized appreciation (depreciation) of investments	8,193,584	950,564
Transaction costs (Note 2)	(37,310)	–
Net gain (loss) on investments	<u>12,891,083</u>	<u>4,400,710</u>
Increase (Decrease) in Net Assets from Operations	<u>\$14,253,234</u>	<u>\$5,311,275</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 3.40</u>	<u>\$ 1.42</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$ 84,359,702	\$ 68,176,812
New accounting policy adjustment (Note 2)	(582,178)	–
Increase (decrease) in net assets from operations	<u>14,253,234</u>	<u>5,311,275</u>
	<u>98,030,758</u>	<u>73,488,087</u>
Unit Transactions:		
Proceeds from issue	18,416,309	11,670,059
Payments on redemption	(12,814,240)	(10,848,410)
	<u>5,602,069</u>	<u>821,649</u>
Increase (decrease) in net assets	<u>19,273,125</u>	<u>6,132,924</u>
Net Assets, End of Period	<u>\$103,632,827</u>	<u>\$ 74,309,736</u>

Pinnacle American Value Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Energy (6.0%)				Utilities (2.6%)			
32,100	ConocoPhillips	1,527,533	2,677,939	22,800	Dominion Resources, Inc.	2,218,058	2,088,804
35,000	Weatherford International Ltd.	1,107,628	2,054,035		Adjustment for Transaction Costs (Note 2)	(92,362)	-
		<u>2,635,161</u>	<u>4,731,974</u>		Total Investment Portfolio (96.7%)	<u>62,359,913</u>	<u>76,449,008</u>
Materials (2.3%)				Other Assets, Less Liabilities (3.3%)			
21,400	Air Products and Chemicals Inc.	1,457,746	1,825,805		Total Net Assets (100.0%)		<u>79,023,180</u>
Industrials (8.8%)				Net Assets Per Unit			
20,000	Deere & Company	1,623,981	2,563,794				\$11.63
23,800	Northrop Grumman Corporation	1,823,303	1,969,566				
23,400	The Boeing Company	1,175,885	2,392,146				
		<u>4,623,169</u>	<u>6,925,506</u>				
Consumer Discretionary (13.3%)							
3,302	Citadel Broadcasting Company	20,722	22,651				
29,000	J.C. Penney Company, Inc.	1,287,982	2,230,254				
67,300	Matsushita Electric Industrial Co., Ltd. ADR	1,150,587	1,417,939				
46,000	The Home Depot, Inc.	2,023,816	1,924,643				
43,000	The Walt Disney Company	1,329,388	1,560,399				
99,000	Time Warner Inc.	1,881,343	2,214,280				
75,300	Warner Music Group Corp.	1,602,609	1,152,428				
		<u>9,296,447</u>	<u>10,522,594</u>				
Consumer Staples (15.0%)							
54,600	Archer-Daniels-Midland Company	1,091,526	1,919,789				
23,700	Diageo PLC ADR	1,675,100	2,099,924				
30,000	Kellogg Co.	1,543,133	1,649,886				
80,000	L'Oreal SA ADR	1,625,108	1,999,475				
60,400	Sysco Corp.	2,102,175	2,116,656				
36,100	UST Inc.	1,786,610	2,058,311				
		<u>9,823,652</u>	<u>11,844,041</u>				
Health Care (10.8%)							
32,000	AstraZeneca PLC ADR	1,901,954	1,819,777				
39,400	Baxter International Inc.	1,685,347	2,359,608				
14,000	C.R. Bard Inc.	761,200	1,230,336				
31,000	Hospira, Inc.	1,349,649	1,284,843				
28,000	Universal Health Services, Inc. Cl. B	1,839,712	1,829,647				
		<u>7,537,862</u>	<u>8,524,211</u>				
Financials (18.7%)							
36,200	AFLAC Incorporated	1,801,622	1,978,927				
28,300	American International Group, Inc.	2,447,467	2,106,893				
42,000	J.P. Morgan Chase & Co.	2,095,958	2,161,092				
150,000	Mitsubishi UFJ Financial Group, Inc. ADR	1,520,058	1,756,453				
28,000	Morgan Stanley	1,884,050	2,494,323				
113,500	The Charles Schwab Corporation	1,661,872	2,472,202				
48,000	Wells Fargo & Company	1,920,124	1,794,422				
		<u>13,331,151</u>	<u>14,764,312</u>				
Information Technology (14.1%)							
22,000	Apple Computer, Inc.	678,468	2,855,505				
19,300	International Business Machines Corporation	2,325,129	2,158,774				
60,300	Molex Incorporated Cl. A	2,162,955	1,700,783				
113,000	Oracle Corporation	1,722,748	2,366,367				
52,000	Texas Instruments Incorporated	1,480,696	2,080,007				
		<u>8,369,996</u>	<u>11,161,436</u>				
Telecommunication Services (5.1%)							
51,700	AT&T Inc.	1,626,312	2,281,901				
49,737	Vodafone Group PLC ADR	1,532,721	1,778,424				
		<u>3,159,033</u>	<u>4,060,325</u>				

ADR – American Depository Receipt

Pinnacle American Value Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$76,449,008	\$73,766,984
Cash	2,548,447	2,901,433
Subscriptions receivable	197,755	371,074
Accrued investment income	86,724	91,367
	<u>79,281,934</u>	<u>77,130,858</u>
Liabilities		
Payable for securities purchased	–	458,437
Redemptions payable	205,526	120,863
Accrued expenses	53,228	48,460
	<u>258,754</u>	<u>627,760</u>
Net assets representing unitholders' equity	<u>\$79,023,180</u>	<u>\$76,503,098</u>
Number of units outstanding	<u>6,794,750</u>	<u>6,449,297</u>
Net assets per unit	<u>\$ 11.63</u>	<u>\$ 11.86</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 705,063	\$ 552,331
Interest	5,268	40
Securities lending income	17,220	8,686
Less: Foreign withholding taxes	(89,654)	(72,490)
	<u>637,897</u>	<u>488,567</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,986	7,054
Custody fees	7,695	744
Interest	–	232
Filing fees	6,643	6,456
Unitholder reporting costs	26,839	24,683
Unitholder administration, service fees and GST	80,146	72,347
	<u>130,417</u>	<u>111,516</u>
Net investment income (loss)	<u>507,480</u>	<u>377,051</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	1,757,722	1,641,478
Net realized gain (loss) on foreign exchange	(159,067)	(115,780)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(3,577,654)	1,199,408
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(92,397)	8,507
Transaction costs (Note 2)	(19,204)	–
Net gain (loss) on investments	<u>(2,090,600)</u>	<u>2,733,613</u>
Increase (Decrease) in Net Assets from Operations	<u>\$(1,583,120)</u>	<u>\$ 3,110,664</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.24)</u>	<u>\$ 0.49</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$76,503,098	\$ 63,380,610
New accounting policy adjustment (Note 2)	(106,466)	–
Increase (decrease) in net assets from operations	<u>(1,583,120)</u>	<u>3,110,665</u>
	<u>74,813,512</u>	<u>66,491,275</u>
Unit Transactions:		
Proceeds from issue	13,741,341	8,165,901
Payments on redemption	(9,531,673)	(9,403,813)
	<u>4,209,668</u>	<u>(1,237,912)</u>
Increase (decrease) in net assets	<u>2,520,082</u>	<u>1,872,753</u>
Net Assets, End of Period	<u>\$79,023,180</u>	<u>\$ 65,253,363</u>

Pinnacle American Mid Cap Value Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Energy (1.6%)			
3,324	Frontier Oil Corporation	114,969	154,596
1,932	Holly Corporation	97,698	152,444
		<u>212,667</u>	<u>307,040</u>
Materials (6.0%)			
4,163	Airgas, inc.	172,999	211,814
2,306	CF Industries Holdings, Inc.	103,497	146,859
4,918	Compass Minerals International, Inc.	177,280	181,238
9,360	Crown Holdings, Inc.	255,441	247,975
3,102	Foundation Coal Holdings, Inc.	118,287	133,747
4,110	Peabody Energy Corporation	195,006	211,085
		<u>1,022,510</u>	<u>1,132,718</u>
Industrials (11.0%)			
4,367	Albany International Corp. Cl. A	179,378	187,499
2,533	Alliant Techsystems Inc.	229,441	266,784
3,500	Curtiss-Wright Corporation	128,559	173,465
945	Foster Wheeler Ltd.	43,751	107,350
2,284	Goodrich Corporation	106,842	144,559
2,260	Granite Construction Incorporated	117,371	154,241
2,349	Jacobs Engineering Group Inc.	97,915	143,351
2,692	Oshkosh Truck Corporation	182,645	179,916
6,780	Republic Services, Inc. Cl. A	191,878	220,436
8,543	Spirit Aerosystems Holdings Inc. Cl. A	290,551	327,456
3,175	URS Corporation	154,761	163,503
		<u>1,723,092</u>	<u>2,068,560</u>
Consumer Discretionary (11.1%)			
2,084	BorgWagner, Inc.	184,207	190,417
2,644	CBRL Group, Inc.	146,379	119,455
3,811	Centex Corp.	223,898	162,330
4,670	Family Dollar Stores Inc.	160,427	170,261
5,781	Foot Locker Incorporated	150,406	133,850
3,543	Gannett Co., Inc.	232,672	206,910
5,958	Goodyear Tire & Rubber Company	211,035	219,818
3,604	Lennar Corporation Cl. A	223,796	140,097
2,851	Penn National Gaming Inc.	143,059	181,992
3,185	R.H. Donnelley Corp.	236,479	256,393
1,341	V.F. Corp.	128,483	130,485
1,383	Whirlpool Corporation	135,257	163,313
		<u>2,176,098</u>	<u>2,075,321</u>
Consumer Staples (6.4%)			
3,943	Campbell Soup Co.	166,395	162,669
3,162	Loews Corp-Carolina Group	180,584	259,788
22,127	Rite Aid Corporation	163,303	149,906
6,170	Safeway Inc.	236,008	223,309
5,293	Smithfield Foods, Inc.	169,197	173,047
4,872	SUPERVALU Inc.	239,363	239,753
		<u>1,154,850</u>	<u>1,208,472</u>
Health Care (5.2%)			
7,495	Endo Pharmaceuticals Holdings Inc.	246,794	272,858
2,903	Magellan Health Services, Inc.	145,993	143,352
2,211	Manor Care Inc.	101,015	153,319
2,937	Universal Health Services, Inc. Cl. B	196,507	191,917
6,102	Watson Pharmaceuticals, Inc.	193,817	210,788
		<u>884,126</u>	<u>972,234</u>
Financials (27.6%)			
914	Affiliated Managers Group, Inc.	122,305	124,981
2,067	Alexandria Real Estate Equities, Inc.	241,184	212,295
6,036	AmeriCredit Corp.	160,054	169,991
10,826	Annaly Mortgage Management Inc.	159,725	165,571
5,821	AON Corporation	232,756	263,672
2,827	Arch Capital Group Ltd.	215,499	217,922
5,549	Archstone-Smith Trust	286,357	348,374
5,353	Associated Banc-Corp	189,274	186,053
3,992	Assurant, Inc.	179,431	249,817
9,280	Banknited Financial Corporation	273,665	197,888
3,610	Camden Property Trust	245,655	256,550
3,639	Corrections Corporation of America	195,033	244,213
4,967	FBR Capital Markets Corp.	90,476	89,171
6,179	Genworth Financial Inc. Cl. A	245,500	225,803
4,352	Hanover Insurance Group Inc.	230,268	225,272
5,494	Marshall & Ilsley Corporation	277,514	277,842

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
2,879	MBIA Inc.	242,689	190,485
18,650	New York Community Bancorp, Inc.	356,283	337,595
6,658	Realty Income Corporation	207,691	177,878
13,941	Sovereign Bancorp, Inc.	368,111	313,143
6,468	The Colonial BancGroup, Inc.	183,601	171,426
7,170	UnumProvident Corporation	177,476	198,725
5,745	W. R. Berkley Corporation	251,518	198,639
4,114	Washington Real Estate Investment Trust	166,714	148,240
		<u>5,298,779</u>	<u>5,191,546</u>
Information Technology (15.0%)			
6,732	ADC Telecommunications, Inc.	112,876	131,240
5,748	American Reprographics Company	208,834	188,167
15,624	Andrew Corp.	167,407	239,948
3,334	Arrow Electronics Inc.	150,746	135,984
30,213	Atmel Corporation	191,286	178,017
7,209	BMC Software, Inc.	256,606	232,008
3,365	Business Objects SA ADR	146,958	139,002
5,431	Cypress Semiconductor Corp.	107,265	134,469
4,751	Diodes Incorporated	198,791	211,061
2,590	Mettler Toledo International Incorporated	181,415	262,816
12,256	Micron Technology, Inc.	168,211	162,936
7,786	Parametric Technology Corporation	140,308	178,948
8,570	PerkinElmer Inc.	215,353	237,527
10,301	Perot Systems Corp. Cl. A	183,260	186,355
8,191	Plexus Corp.	220,296	200,017
		<u>2,649,612</u>	<u>2,818,495</u>
Utilities (13.8%)			
5,108	AGL Resources Inc.	215,968	219,641
6,990	American Electric Power Company, Inc.	298,006	334,317
5,579	Edison International	298,458	332,872
7,147	Nalco Holding Co.	205,593	208,653
7,190	PPL Corp.	219,590	357,570
4,162	Sempra Energy	240,382	261,827
6,897	UGI Corporation	197,646	200,034
6,700	Vectren Corporation	192,474	191,612
6,180	Wisconsin Energy Corporation	292,357	290,581
8,698	Xcel Energy Incorporated	191,843	189,085
		<u>2,352,317</u>	<u>2,586,192</u>
Short Term Notes (Schedule 1) (3.4%)		633,714	631,285
Adjustment for Transaction Costs (Note 2)		(26,611)	-
Total Investment Portfolio (101.1%)		<u>18,081,154</u>	<u>18,991,863</u>
Other Assets, Less Liabilities (-1.1%)			(212,332)
Total Net Assets (100.0%)			<u>18,779,531</u>
Net Assets Per Unit			\$11.12

ADR – American Depository Receipt

Schedule 1

Short-Term Notes

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$593,564	State Street Trust Company Canada U.S. Dollar Call Deposit	07/03/2007	633,714	631,285
Total Short-Term Notes			<u>633,714</u>	<u>631,285</u>

Pinnacle American Mid Cap Value Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at fair value (Note 2)	\$18,991,863	\$ 18,385,557
Cash	56,804	243,514
Subscriptions receivable	37,038	96,893
Receivable for securities sold	367,816	130,497
Accrued investment income	42,048	16,998
	<u>19,495,569</u>	<u>18,873,459</u>
Liabilities		
Payable for securities purchased	624,363	177,679
Redemptions payable	55,378	16,741
Accrued expenses	36,297	38,895
	<u>716,038</u>	<u>233,315</u>
Net assets representing unitholders' equity	<u>\$18,779,531</u>	<u>\$ 18,640,144</u>
Number of units outstanding	<u>1,688,545</u>	<u>1,696,386</u>
Net assets per unit	<u>\$ 11.12</u>	<u>\$ 10.99</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 124,881	\$114,281
Interest	(62,247)	(319)
Securities lending income	177	487
Less: Foreign withholding taxes	(22,467)	(21,003)
	<u>40,344</u>	<u>93,446</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,490	7,054
Custody fees	10,281	7,191
Interest	–	207
Filing fees	6,642	6,456
Unitholder reporting costs	11,782	6,453
Unitholder administration, service fees and GST	37,499	34,155
	<u>74,802</u>	<u>61,516</u>
Rebated and absorbed expenses	(25,709)	(15,669)
Net expenses	<u>49,093</u>	<u>45,847</u>
Net investment income (loss)	<u>(8,749)</u>	<u>47,599</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	1,174,895	344,152
Net realized gain (loss) on foreign exchange	1,139	(11,072)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(879,068)	(50,902)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(471)	1,794
Transaction costs (Note 2)	(31,540)	–
Net gain (loss) on investments	<u>264,955</u>	<u>283,972</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 256,206</u>	<u>\$331,571</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.15</u>	<u>\$ 0.20</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$18,640,144	\$16,098,198
New accounting policy adjustment (Note 2)	(19,996)	–
Increase (decrease) in net assets from operations	<u>256,206</u>	<u>331,571</u>
	<u>18,876,354</u>	<u>16,429,769</u>
Unit Transactions:		
Proceeds from issue	2,799,597	3,329,499
Payments on redemption	(2,896,420)	(3,059,572)
	<u>(96,823)</u>	<u>269,927</u>
Increase (decrease) in net assets	<u>139,387</u>	<u>601,498</u>
Net Assets, End of Period	<u>\$18,779,531</u>	<u>\$16,699,696</u>

Pinnacle American Large Cap Growth Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Energy (7.9%)				6,900	UnitedHealth Group Incorporated	439,714	375,291
11,500	Apache Corporation	926,538	996,691	4,700	VCA Antech Inc.	180,467	188,151
7,700	Cameron International Corporation	438,049	585,292			<u>10,834,026</u>	<u>11,632,757</u>
5,700	Devon Energy Corporation	450,274	474,249	Financials (7.9%)			
10,200	Exxon Mobil Corporation	914,571	909,514	5,200	Ambac Financial Group, Inc.	537,535	481,371
54,200	Grey Wolf, Inc	488,244	473,837	23,300	J.P. Morgan Chase & Co.	1,172,800	1,198,891
11,600	Schlumberger Limited	851,678	1,047,180	34,300	The Charles Schwab Corporation	761,183	747,106
19,900	XTO Energy, Inc.	1,245,951	1,269,879	6,300	The Goldman Sachs Group, Inc.	1,261,259	1,451,970
		<u>5,315,305</u>	<u>5,756,642</u>	10,800	The Travelers Companies, Inc.	574,045	614,060
Materials (1.3%)				32,700	Wells Fargo & Company	1,310,895	1,222,450
6,000	Allegheny Technologies Inc.	509,274	668,059			<u>5,617,717</u>	<u>5,715,848</u>
3,956	Monsanto Company	140,125	283,747	Information Technology (26.2%)			
		<u>649,399</u>	<u>951,806</u>	7,443	Accenture Ltd. Cl. A	281,369	338,963
Industrials (12.2%)				17,000	Apple Computer, Inc.	1,639,661	2,206,527
6,700	AGCO Corporation	243,737	309,188	27,100	Broadcom Corporation Cl. A	1,028,370	842,473
25,100	Cooper Industries Ltd. Cl. A	1,301,712	1,521,888	8,800	Business Objects SA ADR	367,145	363,513
39,800	Emerson Electric Co.	1,791,993	1,978,472	78,300	Cisco Systems, Inc.	1,998,704	2,315,072
19,300	General Electric Company	848,858	784,729	28,100	Dell Inc.	825,377	852,342
19,100	The Boeing Company	1,834,792	1,952,563	2,600	Google Inc. Cl. A	1,230,579	1,447,211
18,400	United Technologies Corporation	1,198,977	1,387,074	29,500	Hewlett-Packard Company	1,213,628	1,398,372
5,264	Valmont Industries, Inc.	335,009	407,181	18,600	Intersil Corporation Cl. A	617,477	622,343
12,800	Waste Management, Inc.	561,158	531,605	31,500	Juniper Networks, Inc.	729,743	843,241
		<u>8,116,236</u>	<u>8,872,700</u>	15,436	Microsoft Corporation	517,612	483,480
Consumer Discretionary (17.0%)				77,500	ON Semiconductor Corporation	904,975	882,773
9,100	BorgWagner, Inc.	808,945	831,463	18,900	Oracle Corporation	370,307	395,791
8,200	Eaton Corporation	825,205	809,668	15,000	QUALCOMM Incorporated	747,356	691,574
35,800	eBay Inc.	1,352,361	1,224,114	2,000	Research In Motion Limited	385,637	425,505
26,942	GameStop Corporation	1,069,238	1,120,092	12,907	Roper Industries, Inc.	703,403	782,727
15,400	Hilton Hotels Corp.	530,655	547,539	27,100	STMicroelectronics NV NY Shares	541,449	553,098
5,800	Lamar Advertising Company Cl. A	368,191	387,079	60,500	Teradyne, Inc.	1,171,610	1,129,895
41,200	Lowe's Companies, Inc.	1,467,107	1,343,468	23,000	Thermo Electron Corp.	1,245,261	1,263,689
6,500	Mohawk Industries, Inc.	565,912	695,939	18,900	THQ Inc.	721,175	613,486
14,000	Target Corporation	923,982	946,241	18,500	Yahoo! Inc.	672,234	533,408
22,400	The Home Depot, Inc.	1,077,541	937,218			<u>17,913,072</u>	<u>18,985,483</u>
22,100	The TJX Companies Inc.	691,748	645,668	Telecommunication Services (2.7%)			
17,800	Viacom Inc. Cl. B	847,439	787,159	35,100	American Tower Corporation Cl. A	1,478,555	1,567,513
40,200	Wal-Mart Stores, Inc.	2,250,558	2,056,075	10,400	Metropcs Communications Inc.	340,353	365,342
		<u>12,778,882</u>	<u>12,331,723</u>			<u>1,818,908</u>	<u>1,932,855</u>
Consumer Staples (8.2%)				Adjustment for Transaction Costs (Note 2)			
12,900	Anheuser-Busch Companies, Inc.	740,164	714,939			(33,484)	—
5,600	Bare Essentials, Inc.	189,461	203,334	Total Investment Portfolio (99.4%)			
23,900	Campbell Soup Co.	1,063,825	985,997			<u>69,341,683</u>	<u>72,122,753</u>
28,800	ConAgra Foods, Inc.	906,144	822,116	Other Assets, Less Liabilities (0.6%)			
15,200	Newell Rubbermaid Inc.	474,081	475,117				404,025
21,200	PepsiCo, Inc.	1,519,769	1,461,063	Total Net Assets (100.0%)			
19,700	The Procter & Gamble Company	1,438,178	1,280,373				<u>72,526,778</u>
		<u>6,331,622</u>	<u>5,942,939</u>	Net Assets Per Unit			
Health Care (16.0%)							\$7.43
11,400	Abbott Laboratories	729,734	649,144	ADR – American Depositary Receipt			
10,400	Allergan, Inc.	671,727	637,109				
6,700	Baxter International Inc.	313,626	401,253				
8,322	Becton, Dickinson and Company	599,721	659,389				
6,900	Cephalon, Inc.	603,536	589,575				
12,900	DENTSPLY International Inc.	477,831	524,508				
1,800	Idexx Labs Incorporated	173,773	180,948				
4,600	Intuitive Surgical, Inc.	654,671	678,909				
8,000	Laboratory Corporation of America Holdings	615,527	665,783				
16,500	Medtronic, Inc.	992,961	909,543				
8,400	Mentor Corp.	381,826	363,428				
9,300	Patterson Companies Inc	369,783	368,440				
6,917	Roche Holding AG	1,179,264	1,305,325				
82,400	Schering-Plough Corporation	1,992,626	2,665,027				
6,600	Teva Pharmaceutical Industries Ltd. ADR	252,750	289,341				
7,800	TomoTherapy Inc.	204,489	181,593				

Portfolio Advisor: American Century Investment Management, Inc.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle American Large Cap Growth Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$72,122,753	\$ 64,148,137
Cash	179,832	380,237
Receivable on open spot contracts	75	–
Subscriptions receivable	245,718	340,020
Receivable for securities sold	756,065	480,188
Accrued investment income	39,837	64,628
	<u>73,344,280</u>	<u>65,413,210</u>
Liabilities		
Payable for securities purchased	627,352	360,061
Redemptions payable	128,543	124,062
Accrued expenses	61,607	59,456
	<u>817,502</u>	<u>543,579</u>
Net assets representing unitholders' equity	<u>\$72,526,778</u>	<u>\$ 64,869,631</u>
Number of units outstanding	<u>9,766,122</u>	<u>8,601,972</u>
Net assets per unit	<u>\$ 7.43</u>	<u>\$ 7.54</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 381,411	\$ 294,972
Interest	4,520	2,883
Securities lending income	10,034	5,240
Less: Foreign withholding taxes	(55,734)	(41,607)
	<u>340,231</u>	<u>261,488</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,986	7,054
Custody fees	45,501	47,109
Interest	–	17
Filing fees	6,643	6,456
Unitholder reporting costs	25,772	17,039
Unitholder administration, service fees and GST	67,941	59,502
	<u>154,951</u>	<u>137,177</u>
Net investment income (loss)	<u>185,280</u>	<u>124,311</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	3,164,187	(290,439)
Net realized gain (loss) on foreign exchange	(47,471)	(73,544)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(4,477,553)	(2,850,094)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(3,865)	(3,636)
Transaction costs (Note 2)	(38,565)	–
Net gain (loss) on investments	<u>(1,403,267)</u>	<u>(3,217,713)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ (1,217,987)</u>	<u>\$ (3,093,402)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.13)</u>	<u>\$ (0.39)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$64,869,631	\$53,489,639
New accounting policy adjustment (Note 2)	(64,096)	–
Increase (decrease) in net assets from operations	<u>(1,217,987)</u>	<u>(3,093,402)</u>
	<u>63,587,548</u>	<u>50,396,237</u>
Unit Transactions:		
Proceeds from issue	15,685,649	10,832,914
Payments on redemption	(6,746,419)	(6,327,993)
	<u>8,939,230</u>	<u>4,504,921</u>
Increase (decrease) in net assets	<u>7,657,147</u>	<u>1,411,519</u>
Net Assets, End of Period	<u>\$72,526,778</u>	<u>\$54,901,158</u>

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Energy (11.3%)			
6,500	Core Laboratories NV	651,757	702,783
15,400	Energy Conversion Devices, Inc.	565,791	504,136
11,600	FMC Technologies, Inc.	707,211	975,748
13,800	Oceaneering International, Inc.	736,081	770,689
20,100	Smith International, Inc.	814,372	1,253,355
		<u>3,475,212</u>	<u>4,206,711</u>
Materials (2.0%)			
6,600	Allegheny Technologies Inc.	817,656	734,864
Industrials (19.5%)			
5,626	Bright Horizons Family Solutions Inc.	248,979	232,819
16,506	Compagnie Generale de Geophysique-Veritas ADR	481,756	870,726
7,400	Flowserve Corporation	562,220	563,118
8,500	Foster Wheeler Ltd.	424,100	965,581
13,300	Joy Global Inc.	752,738	825,091
5,900	Precision Castparts Corp.	716,304	760,398
26,100	Resources Connection Incorporated	759,361	921,032
13,900	Robert Half International Inc.	551,812	539,001
5,700	Strayer Education, Inc.	715,533	798,094
11,000	The Corporate Executive Board Company	941,948	759,386
		<u>6,154,751</u>	<u>7,235,246</u>
Consumer Discretionary (17.4%)			
3,900	Chipotle Mexican Grill, Inc. Cl. A	244,097	353,728
5,100	Chipotle Mexican Grill, Inc. Cl. B	315,238	426,443
12,500	Ctrip.com International Ltd. ADR	1,056,864	1,045,337
14,500	Focus Media Holding Limited ADR	705,946	777,860
13,400	Home Inns & Hotels Management, Inc. ADR	594,284	458,901
14,200	Monster Worldwide Inc.	546,535	620,407
22,000	Netflix Inc.	710,846	453,689
19,700	P.F. Chang's China Bistro, Inc.	826,761	737,508
17,400	Urban Outfitters, Inc.	348,385	444,509
8,300	Wynn Resorts, Ltd.	570,683	791,736
8,400	Zumiez Inc.	288,761	337,520
		<u>6,208,400</u>	<u>6,447,638</u>
Consumer Staples (4.0%)			
18,400	Bare Essentials, Inc.	792,593	668,097
17,600	Hansen Natural Corporation	756,947	804,520
		<u>1,549,540</u>	<u>1,472,617</u>
Health Care (6.8%)			
15,700	CV Therapeutics Inc.	398,255	220,577
4,600	InterMune Inc.	193,529	126,907
6,000	Intuitive Surgical, Inc.	713,096	885,533
8,000	Palomar Medical Technologies, Inc.	384,191	295,327
10,800	The Advisory Board Company	597,918	638,181
12,200	Vertex Pharmaceuticals Inc.	471,871	370,316
		<u>2,758,860</u>	<u>2,536,841</u>
Financials (10.7%)			
6,000	Affiliated Managers Group, Inc.	621,397	820,444
13,385	eHealth, Inc.	330,944	270,762
9,700	GFI Group Inc.	586,881	747,735
2,400	IntercontinentalExchange Inc.	367,566	376,267
23,182	National Interstate Corporation	535,298	642,022
11,100	Security Capital Assurance Ltd.	364,344	364,315
11,600	SEI Investments Company	309,483	358,025
7,400	T. Rowe Price Group Inc.	313,287	408,074
		<u>3,429,200</u>	<u>3,987,644</u>
Information Technology (26.4%)			
12,600	Akamai Technologies, Inc.	503,758	651,812
26,000	Ansys Inc.	733,418	732,786
3,900	Baidu.com, Inc.	477,499	696,257
62,900	Brocade Communications Systems, Inc.	685,441	521,799
15,600	Cavium Networks Inc.	406,314	375,297
7,000	Cerner Corporation	373,603	412,817

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
21,180	Cogent Communications Group, Inc.	644,848	672,852
13,600	Cognizant Technology Solutions Corp. Cl. A	766,803	1,085,400
7,700	Electronic Arts Inc.	472,230	387,274
11,070	Hittite Microwave Corporation	332,044	502,964
14,400	Infinera Corporation	403,369	379,049
19,100	Linear Technology Corporation	715,879	734,344
48,000	Marvell Technology Group Ltd.	1,010,947	929,628
4,500	Research In Motion Limited	252,251	957,387
17,000	Salesforce.com, Inc.	422,634	773,297
		<u>8,201,038</u>	<u>9,812,963</u>
Telecommunication Services (1.2%)			
17,700	Clearwire Corporation Cl. A	487,156	458,761
		<u>721,657</u>	<u>718,430</u>
Short Term Notes (Schedule 1) (1.9%)			
		<u>(37,792)</u>	<u>—</u>
Adjustment for Transaction Costs (Note 2)			
			<u>—</u>
Total Investment Portfolio (101.2%)		<u>33,765,678</u>	<u>37,611,715</u>
Other Assets, Less Liabilities (-1.2%)			<u>(441,776)</u>
Total Net Assets (100.0%)			<u>37,169,939</u>
Net Assets Per Unit			\$15.84

ADR – American Depository Receipt

**Schedule 1
Short-Term Notes**

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$ 675,502	State Street Time Deposit (USD)	07/03/2007	721,657	718,430
Total Short-Term Notes			<u>721,657</u>	<u>718,430</u>

Portfolio Advisor: TCW Investment Management Company

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle American Mid Cap Growth Equity Fund (Unaudited – Continued)

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$37,611,715	\$ 32,708,838
Cash	35,526	111,800
Subscriptions receivable	126,108	80,151
Receivable for securities sold	816,028	–
Accrued investment income	23,177	5,991
	<u>38,612,554</u>	<u>32,906,780</u>
Liabilities		
Payable for securities purchased	1,316,669	–
Redemptions payable	81,948	41,623
Accrued expenses	43,998	43,175
	<u>1,442,615</u>	<u>84,798</u>
Net assets representing unitholders' equity	<u>\$37,169,939</u>	<u>\$ 32,821,982</u>
Number of units outstanding	<u>2,346,866</u>	<u>2,100,787</u>
Net assets per unit	<u>\$ 15.84</u>	<u>\$ 15.62</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 42,096	\$ 39,590
Interest	(67,807)	(798)
Securities lending income	3,182	3,625
Less: Foreign withholding taxes	(5,831)	(5,536)
	<u>(28,360)</u>	<u>36,881</u>
Expenses		
Legal fees	1,108	–
Audit fees	7,490	7,054
Custody fees	8,760	3,571
Filing fees	6,643	6,456
Unitholder reporting costs	16,515	22,518
Unitholder administration, service fees and GST	69,953	67,874
	<u>110,469</u>	<u>107,473</u>
Rebated and absorbed expenses	(15,394)	(22,162)
Net expenses	<u>95,075</u>	<u>85,311</u>
Net investment income (loss)	<u>(123,435)</u>	<u>(48,430)</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	2,570,046	1,338,986
Net realized gain (loss) on foreign exchange	(13,168)	(10,862)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(1,973,031)	(3,162,001)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(238)	249
Transaction costs (Note 2)	(32,401)	–
Net gain (loss) on investments	<u>551,208</u>	<u>(1,833,628)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 427,773</u>	<u>\$(1,882,058)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.19</u>	<u>\$ (0.91)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$32,821,982	\$31,775,963
New accounting policy adjustment (Note 2)	(38,848)	–
Increase (decrease) in net assets from operations	<u>427,773</u>	<u>(1,882,058)</u>
	<u>33,210,907</u>	<u>29,893,905</u>
Unit Transactions:		
Proceeds from issue	8,129,582	6,012,611
Payments on redemption	(4,170,550)	(5,447,875)
	<u>3,959,032</u>	<u>564,736</u>
Increase (decrease) in net assets	<u>4,347,957</u>	<u>(1,317,322)</u>
Net Assets, End of Period	<u>\$37,169,939</u>	<u>\$30,458,641</u>

Pinnacle International Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Australia (3.2%)				India (0.7%)			
42,687	AMP Limited	335,749	389,895	16,665	Mahindra & Mahindra Ltd.	238,343	319,033
22,657	Australia and New Zealand Banking Group Limited	447,781	591,667	22,999	UTI Bank Limited GDR	233,680	360,794
21,922	BHP Billiton Limited	353,552	696,919	10,900	Wipro Limited ADR	158,294	180,266
11,502	Brambles Limited	91,308	126,192			630,317	860,093
30,594	Coca-Cola Amatil Limited	255,929	263,367	Ireland (0.7%)			
52,351	Macquarie Airports	157,494	190,474	37,857	Elan Corporation PLC	645,751	868,021
7,695	National Australia Bank Limited	227,874	284,310	Italy (4.8%)			
29,875	Origin Energy Limited	180,910	268,011	138,830	Banca Intesa SpA	861,513	1,096,847
23,794	Publishing and Broadcasting Limited	342,844	420,091	61,472	Eni SpA	1,704,081	2,367,158
6,494	QBE Insurance Group Limited	139,776	182,237	262,127	UniCredito Italiano SpA	2,354,855	2,480,829
12,500	Westpac Banking Corporation	221,081	289,484			4,920,449	5,944,834
6,034	Woodside Petroleum Limited	244,543	247,924	Japan (19.5%)			
		2,998,841	3,950,571	9,700	Advantest Corporation	527,127	449,416
Austria (1.0%)				24,500	Aoyama Trading Co., Ltd.	864,538	798,873
47,469	Telekom Austria AG	1,468,295	1,258,536	9,000	Astellas Pharma Inc.	406,779	415,457
Belgium (0.8%)				15,800	Benesse Corp.	590,094	485,629
14,921	UCB SA	1,036,110	937,262	29,400	Canon Inc.	1,503,262	1,830,773
China (0.2%)				13,600	Credit Saison Co., Ltd.	692,321	372,389
134,000	Yanzhou Coal Mining Company Limited Cl. H	146,078	217,195	28,000	Daiwa House Industry Co., Ltd.	518,804	423,735
Finland (1.9%)				20,200	Denso Corp.	811,439	838,402
42,774	Elisa Corporation Cl. A	1,335,508	1,239,183	17,300	Diamond City Co., Ltd.	453,294	442,520
31,964	TietoEnator Oyj	1,047,116	1,094,249	167	East Japan Railway Company	1,289,002	1,363,595
		2,382,624	2,333,432	8,000	Eisai Co., Ltd.	417,155	370,696
France (18.6%)				15,400	Hitachi Chemical Company, Ltd.	421,025	369,002
6,236	Alstom	718,575	1,103,093	8,700	Hogy Medical Co., Ltd.	447,566	412,106
59,657	Axa SA	2,412,577	2,719,590	6,000	Ibiden Co. Ltd.	400,352	409,965
65,834	France Telecom SA	2,130,963	1,920,671	8,900	Japan Petroleum Exploration Co., Ltd.	644,118	666,333
7,518	Lafarge SA	896,213	1,453,285	1,600	Keyence Corporation	421,776	371,530
27,678	Peugeot SA	1,910,108	2,363,835	55,600	Komatsu Ltd.	1,200,259	1,708,849
21,248	Rhodia SA	1,118,729	1,030,857	52,000	Kyowa Expo Corporation	659,888	639,207
52,811	Safran SA	1,460,040	1,434,085	61,000	Mitsubishi Estate Company, Limited	1,608,756	1,754,468
31,058	Sanofi-Aventis	3,099,388	2,664,313	77	Mitsubishi UFJ Financial Group, Inc.	892,186	900,485
21,677	Silicon-On-Insulator Technologies SA	686,503	489,221	72,000	Mitsui & Co.	1,076,021	1,515,934
70,038	Total SA	4,227,882	6,040,051	2,510	Obic Co., Ltd.	543,502	526,382
21,173	Veolia Environnement	1,411,225	1,758,056	5,000	OTSUKA Corporation	567,213	503,108
		20,072,203	22,977,057	928	Rakuten, Inc.	391,357	330,454
Germany (8.5%)				24,000	Sekisui House, Ltd.	407,803	339,137
17,928	Beiersdorf AG	1,129,143	1,353,927	3,000	SMC Corporation	457,023	423,674
15,406	E.ON AG	2,488,888	2,750,121	134	Sumitomo Mitsui Financial Group Inc.	1,612,003	1,325,107
23,133	Henkel KGaA Preferred	1,311,501	1,298,023	18,400	Sundrug Co., Ltd.	510,113	426,452
63,248	Infineon Technologies AG	879,179	1,117,768	15,700	Takeda Pharmaceutical Company Limited	1,144,860	1,075,183
10,437	Muenchener Rueckversicherungs-Gesellschaft AG	1,586,280	2,034,299	26,300	Toyota Motor Corporation	1,454,942	1,759,697
40,800	Qimonda AG ADR	674,430	670,420	5,400	Uni-Charm Corp.	395,166	324,645
25,332	SAP AG	1,253,328	1,382,676	6,880	USS Co. Ltd.	542,295	464,685
		9,322,749	10,607,234			23,872,039	24,037,888
Hong Kong (1.9%)				Malaysia (0.1%)			
100,000	Aeon Credit Service (Asia) Company Limited	85,369	92,440	41,100	Tenaga Nasional Berhad	134,526	144,174
35,000	Cheung Kong (Holdings) Limited	469,539	488,080	Netherlands (5.7%)			
72,000	China Insurance International Holdings Company Limited	104,456	138,924	43,162	Koninklijke (Royal) Philips Electronics NV	1,509,428	1,943,890
305,000	CNOOC Limited	227,392	368,560	26,842	Mittal Steel Company NV	1,509,182	1,780,754
42,400	Dah Sing Financial Group	338,194	381,480	50,085	Unilever NV	1,655,864	1,654,607
72,000	Foxconn International Holdings Ltd.	234,776	218,455	49,704	Wolters Kluwer NV	1,527,031	1,611,253
38,500	Hong Kong & China Gas Company Limited	91,731	86,298			6,201,505	6,990,504
73,000	Hongkong Land Holdings Limited	343,795	349,493	Singapore (0.9%)			
46,000	Li & Fung Ltd.	132,826	177,262	304,000	Banyan Tree Holdings Limited	213,303	555,938
		2,028,078	2,300,992	96,000	Neptune Orient Lines Ltd.	271,014	353,167
				105,260	Singapore Telecommunications Limited	201,365	248,494
						685,682	1,157,599

Portfolio Advisor: Wellington Management Company, LLP

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle International Equity Fund (Unaudited – Continued)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
South Korea (1.1%)			
1,386	Kookmin Bank	120,330	129,131
4,000	Lotte Shopping Co. Ltd. GDR	94,830	82,617
3,960	Samsung Card Co., Ltd.	218,398	258,941
1,898	Samsung Electronics Co., Ltd. GDR	565,464	624,762
4,880	Shinhan Financial Group Co. Ltd.	247,832	314,553
		<u>1,246,854</u>	<u>1,410,004</u>
Spain (2.0%)			
57,263	Banco Bilbao Vizcaya Argentaria SA	1,187,744	1,486,754
16,248	Industria de Diseno Textil SA	588,102	1,018,199
		<u>1,775,846</u>	<u>2,504,953</u>
Switzerland (6.7%)			
10,771	Adecco SA	857,500	882,367
28,362	Credit Suisse Group	1,805,578	2,134,842
8,644	Julius Baer Holding Ltd.	638,393	655,957
4,441	Swiss Life Holding	1,361,438	1,242,148
52,580	UBS AG	2,258,832	3,335,830
		<u>6,921,741</u>	<u>8,251,144</u>
Taiwan (0.1%)			
66,400	Delta Networks Inc.	41,054	40,644
8,040	Taiwan Semiconductor Manufacturing Company Limited ADR	87,556	95,172
		<u>128,610</u>	<u>135,816</u>
United Kingdom (16.3%)			
233,740	Aberdeen Asset Management PLC	1,051,033	970,457
82,233	Amvescap PLC	1,083,286	1,126,271
41,585	AstraZeneca PLC	2,108,897	2,367,810
177,237	Compass Group PLC	1,206,934	1,301,808
274,783	Debenhams PLC	1,064,790	757,066
99,811	HBOS PLC	2,362,113	2,085,866
102,800	HSBC Holdings PLC	2,178,108	2,001,295
131,503	Invensys PLC	500,608	1,063,891
395,942	Old Mutual PLC	1,305,811	1,417,202
43,950	Smiths Group Plc	1,360,768	1,109,136
230,452	Tesco PLC	1,867,126	2,049,685
32,400	TI Automotive Ltd.	-	-
811,639	Vodafone Group PLC	2,742,211	2,901,717
24,291	Whitebread PLC	1,043,197	911,672
		<u>19,874,882</u>	<u>20,063,876</u>
Index Fund (3.0%)			
9,900	iShares MSCI EAFE Index Fund	856,167	850,650
78,500	iShares MSCI Japan Index Fund	1,244,109	1,211,421
3,100	iShares MSCI Pacific ex-Japan Index Fund	496,762	483,011
24,100	iShares MSCI Taiwan Index Fund	385,302	410,105
5,600	iShares S & P Europe 350 Index Fund	703,963	696,421
		<u>3,686,303</u>	<u>3,651,608</u>
Adjustment for Transaction Costs (Note 2)		(212,905)	-
Total Investments (97.7%)		<u>109,966,578</u>	<u>120,602,793</u>
Foreign Currency Spot Contracts (Schedule 1) (0.0%)			(392)
Total Investment Portfolio (97.7%)			<u>120,602,401</u>
Other Assets, Less Liabilities (2.3%)			<u>2,838,051</u>
Total Net Assets (100.0%)			<u>123,440,452</u>
Net Assets Per Unit			\$13.30

ADR – American Depository Receipt
GDR – Global Depository Receipt

Schedule 1 Foreign Currency Spot Contracts Value

Contracts	Pay		Receive		Due Date	Credit Rating	Market Value (\$)
Spot Currency Contracts							
1	168,398	Canadian Dollar	116,894	Euro Dollar	07/10/2007	AA	(320)
1	41,127	Canadian Dollar	301,815	Hong Kong Dollar	07/06/2007	AA	(72)
Total Foreign Currency Spot Contracts Value							<u>(392)</u>

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$120,602,793	\$114,334,125
Cash	1,998,929	1,109,627
Subscriptions receivable	672,028	473,917
Receivable for securities sold	–	724,927
Accrued investment income	534,543	406,087
	<u>123,808,293</u>	<u>117,048,683</u>
Liabilities		
Payable on open spot contracts	392	1,359
Payable for securities purchased	209,133	337,985
Redemptions payable	63,211	195,744
Accrued expenses	95,105	81,925
	<u>367,841</u>	<u>617,013</u>
Net assets representing unitholders' equity	<u>\$123,440,452</u>	<u>\$116,431,670</u>
Number of units outstanding	<u>9,282,898</u>	<u>8,587,548</u>
Net assets per unit	<u>\$ 13.30</u>	<u>\$ 13.56</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 2,269,769	\$1,740,161
Interest	28,339	10,733
Securities lending income	63,285	39,773
Less: Foreign withholding taxes	(286,312)	(123,217)
	<u>2,075,081</u>	<u>1,667,450</u>
Expenses		
Legal fees	1,108	–
Audit fees	8,855	8,045
Custody fees	76,300	39,424
Interest	–	405
Filing fees	6,643	6,456
Unitholder reporting costs	26,895	27,257
Unitholder administration, service fees and GST	90,685	80,626
	<u>210,486</u>	<u>162,213</u>
Net investment income (loss)	<u>1,864,595</u>	<u>1,505,237</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	4,431,868	3,379,438
Net realized gain (loss) on foreign exchange	(44,440)	(17,577)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(8,599,554)	(337,776)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(28,132)	8,272
Transaction costs (Note 2)	(105,104)	–
Net gain (loss) on investments	<u>(4,345,362)</u>	<u>3,032,357</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ (2,480,767)</u>	<u>\$4,537,594</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.28)</u>	<u>\$ 0.54</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$116,431,670	\$ 92,264,165
Increase (decrease) in net assets from operations	(2,480,767)	4,537,594
	<u>113,950,903</u>	<u>96,801,759</u>
Unit Transactions:		
Proceeds from issue	21,762,431	13,293,110
Payments on redemption	(12,272,882)	(12,541,391)
	<u>9,489,549</u>	<u>751,719</u>
Increase (decrease) in net assets	<u>7,008,782</u>	<u>5,289,313</u>
Net Assets, End of Period	<u>\$123,440,452</u>	<u>\$ 97,553,478</u>

Pinnacle International Small To Mid Cap Value Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Australia (4.3%)				Germany (9.2%)			
15,500	Babcock & Brown Limited	309,043	446,999	2,720	Nexans SA	159,765	480,261
97,200	Challenger Financial Services Group Limited	424,120	509,182	3,730	Nexity	271,554	329,821
5,000	Cochlear Ltd.	265,006	274,156	1,970	Pierre & Vacances	221,691	319,311
26,200	Computershare Ltd.	266,826	265,988	9,610	Pinguely-Haulotte	330,735	423,400
44,400	Downer EDI Limited	300,250	293,596	5,700	Publicis Groupe SA	305,861	265,071
147,900	Goodman Fielder Limited	324,082	323,571	5,016	Rhodia SA	250,729	243,354
10,200	Incitec Pivot Limited	394,192	733,340	1,450	SEB SA	306,371	280,021
26,073	Jubilee Mines NL	415,016	375,031	4,130	Sodexo Alliance SA	291,786	313,991
112,160	Pacific Brands Limited	270,557	348,382			6,368,680	8,024,673
		2,969,092	3,570,245	Germany (9.2%)			
Austria (0.5%)				10,100	Aareal Bank AG	526,319	557,754
5,600	Andritz AG	283,439	392,339	6,360	Deutsche Boerse AG	367,880	765,552
Belgium (2.2%)				7,340	Fresenius AG Preferred Non-Voting	383,550	593,819
1,090	Colruyt SA	215,273	241,335	3,600	Fuchs Petrolub AG Preferred Non-Voting	340,790	354,447
4,320	Mobistar SA	376,522	390,768	4,900	Hannover Rueckversicherungs AG	236,083	252,248
3,000	Omega Pharma SA	238,912	276,450	4,880	Hugo Boss AG	232,300	310,399
7,800	Telenet Group Holding NV	280,449	287,440	6,680	Hypo Real Estate Holding AG	422,855	459,684
2,760	Umicore	353,776	634,694	5,600	IKB Deutsche Industriebank AG	254,871	217,419
		1,464,932	1,830,687	6,670	Lanxess	311,648	393,421
Canada (6.2%)				3,930	Man AG	250,156	601,273
11,000	Astral Media Inc. Cl. A	388,022	464,750	6,770	MTU Aero Engines Holding AG	297,728	466,644
13,500	Axcan Pharma Inc.	224,739	278,775	7,360	ProSiebenSat.1 Media AG Preferred	202,389	308,054
15,340	Canaccord Capital Inc.	326,001	319,532	3,200	Salzgitter AG	508,869	654,384
9,800	Canadian Western Bank	268,628	276,752	4,150	Software AG	199,318	427,804
12,100	Crescent Point Energy Trust	250,292	237,523	5,070	Stada Arzneimittel AG	215,696	342,400
11,400	Gildan Activewear Inc. Cl. A Sub. Voting	277,449	414,618	14,300	Vivacon AG	606,534	614,100
11,800	Inmet Mining Corp.	242,381	972,320	3,240	Wincor Nixdorf AG	183,307	319,033
16,800	Martinrea International Inc.	292,170	277,536			5,540,293	7,638,435
8,300	Metro Inc. Cl. A Sub. Voting	290,065	309,756	Hong Kong (0.7%)			
6,100	Northbridge Financial Corp.	206,866	212,585	59,300	Hengan International Group Company Limited	60,750	224,302
40,200	Sherritt International Corporation Restricted Voting	560,754	588,930	30,100	Wing Hang Bank Limited	325,400	351,848
11,500	Trican Well Service Ltd.	116,318	249,435			386,150	576,150
15,600	Uranium One, Inc.	251,313	211,692	Ireland (0.8%)			
19,800	WestJet Airlines Ltd.	270,179	308,880	24,030	Grafton Group PLC	292,133	364,212
		3,965,177	5,123,084	42,300	Greencore Group PLC	305,588	339,754
Denmark (0.3%)						597,721	703,966
4,800	Sydbank A/S	289,701	243,490	Italy (4.4%)			
Finland (3.4%)				58,860	ASM Brescia SpA	349,439	379,293
4,320	Cargotec Corporation Cl. B	212,481	282,270	32,960	Azimut Holding SpA	526,684	595,686
6,200	Elisa Corporation Series A	220,051	179,617	22,480	Banca Popolare di Milano	337,705	363,748
11,480	KCI Konecranes Oyj	252,113	509,111	24,400	Cementir SpA	357,030	367,147
9,720	Nokian Renkaat Oyj	232,571	361,307	32,560	Credito Emiliano SpA	538,472	489,989
13,900	Rautaruukki Oyj	207,213	944,030	6,630	Fondiarria Sai SpA	241,584	340,216
7,600	TietoEnator Oyj	258,615	260,177	10,900	Merloni Elettrodomestici SpA	264,800	269,224
4,410	Wartsila Corporation Cl. B	211,863	307,935	40,240	Milano Assicurazioni SpA	251,309	354,854
		1,594,907	2,844,447	3,200	Pirelli & C. Real Estate SpA	278,224	197,440
France (9.7%)				34,470	Recordati SpA	297,614	305,106
7,850	Air France	278,540	388,078			3,442,861	3,662,703
1,800	Alstom	264,705	318,404	Japan (14.2%)			
3,520	Bourbon SA	263,524	233,350	546	Ardepro Co., Ltd.	197,339	180,386
2,060	Ciments Francais SA	280,909	501,876	11,300	Asahi Pretec Corp.	208,324	333,563
5,230	CNP Assurances	587,617	709,724	7,700	Chiyoda Integre Co., Ltd.	266,673	208,282
2,160	Compagnie Generale de Geophysique SA	427,746	573,644	14,400	Chugoku Marine Paints, Ltd.	181,177	180,531
3,430	Compagnie Generale des Etablissements Michelin Cl. B	331,391	509,181	16,000	COMSYS Holdings Corporation	256,184	196,623
3,850	Euler & Hermes SA	315,700	579,703	4,200	Disco Corp.	304,883	258,134
3,800	Groupe Steria SCA	291,532	267,823	4,940	Goldcrest Co., Ltd.	291,598	268,415
4,340	Icade	319,069	354,683	9,500	Hisamitsu Pharmaceutical Co., Inc.	306,800	277,710
2,110	Ilias SA	124,395	226,482	11,900	Hitachi Construction Machinery Co., Ltd.	229,311	438,133
6,400	Ipsen SA	345,351	349,249	10,800	Hitachi High-Technologies Corporation	233,448	297,612
8,600	Neuf Cegetel	399,709	357,246	20,000	Hitachi Kokusai Electric Inc.	260,817	261,211
				5,500	Hogy Medical Co., Ltd.	308,227	260,527
				20,900	Izumi Co., Ltd.	376,826	362,745
				10,300	Joint Corporation	404,269	342,127

Portfolio Advisor: The Boston Company Asset Management, LLC

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Pinnacle International Small To Mid Cap Value Equity Fund (Unaudited – Continued)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
10,570	Persimmon PLC	202,167	259,154
44,050	Petrofac Limited	326,776	420,362
9,100	Premier Oil PLC	264,212	215,194
100,360	Regus Group PLC	231,051	287,680
40,496	Restaurant Group PLC	144,171	283,763
32,100	Savills PLC	493,425	401,871
9,530	Speedy Hire PLC	108,966	240,814
26,700	Sthree PLC	268,335	267,431
		<u>12,388,999</u>	<u>14,816,402</u>
	Short-Term Notes (Schedule 1) (0.1%)	42,345	42,147
	Adjustment for Transaction Costs (Note 2)	(138,204)	–
	Total Investments (96.7%)	<u>65,877,274</u>	<u>80,307,330</u>
	Futures Contracts Value – (Schedule 2) (0.0%)		(738)
	Foreign Currency Spot Contracts – (Schedule 3) (0.0%)		(754)
	Total Investment Portfolio (96.7%)		80,305,838
	Other Assets, Less Liabilities (3.3%)		2,757,158
	Total Net Assets (100.0%)		<u>83,062,996</u>
	Net Assets Per Unit		\$24.44

Schedule 1
Short-Term Notes

Face Amount	Issuer	Maturity Date	Average Cost (\$)	Market Value (\$)
\$40,000	United States Treasury Notes	09/13/2007	42,345	42,147
	Total Short-Term Notes		<u>42,345</u>	<u>42,147</u>

Schedule 2
Futures Contracts Value

Futures	Contracts	Expiration Date	Country	Exercise Price \$	Market Value \$
MSCI Pan – Euro Index Futures	22	09/21/2007	United Kingdom	828,710	827,317
Topix Index Futures	2	09/13/2007	Japan	305,291	305,946
				<u>1,134,001</u>	<u>1,133,263</u>
					(1,134,001)
					<u>(738)</u>

Schedule 3
Foreign Currency Spot Contracts Value

Contracts	Pay	Receive	Due Date	Credit Rating	Market Value (\$)
1	112,500 Euro Dollar	160,920 Canadian Dollar	07/03/2007	AA+	(840)
1	5,803,931 Japanese Yen	50,133 Canadian Dollar	07/03/2007	AA–	113
1	5,245,668 Japanese Yen	45,182 Canadian Dollar	07/03/2007	AA–	(27)
	Total Foreign Currency Spot Contracts Value				<u>(754)</u>

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$80,307,330	\$ 76,018,369
Cash	2,409,517	1,155,535
Receivable on open futures contracts	–	16,229
Subscriptions receivable	285,239	255,315
Receivable for securities sold	278,883	192,310
Accrued investment income	111,022	80,133
	<u>83,391,991</u>	<u>77,717,891</u>
Liabilities		
Margin Payable	169	18,009
Payable on open futures contracts	738	–
Payable on open spot contracts	754	250
Payable for securities purchased	159,414	–
Redemptions payable	140,090	412,144
Accrued expenses	27,830	81,936
	<u>328,995</u>	<u>512,339</u>
Net assets representing unitholders' equity	<u>\$83,062,996</u>	<u>\$ 77,205,552</u>
Number of units outstanding	<u>3,398,855</u>	<u>3,179,387</u>
Net assets per unit	<u>\$ 24.44</u>	<u>\$ 24.28</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$1,072,181	\$ 815,101
Interest	7,821	1,812
Securities lending income	21,438	8,827
Income (loss) from derivatives	–	(13,547)
Less: Foreign withholding taxes	<u>(119,806)</u>	<u>(71,462)</u>
	981,634	740,731
Expenses		
Legal fees	1,108	–
Audit fees	8,855	8,045
Custody fees	112,035	85,293
Interest	–	5,485
Filing fees	6,643	6,456
Unitholder reporting costs	23,633	11,589
Unitholder administration, service fees and GST	64,825	50,704
	<u>217,099</u>	<u>167,572</u>
Rebated and absorbed expenses	(41)	–
Net expenses	<u>217,058</u>	<u>167,572</u>
Net investment income (loss)	764,576	573,159
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	8,479,697	5,060,968
Net realized gain (loss) on foreign exchange	(140,588)	28,150
Gain (loss) on derivative investments	132,174	–
Increase (decrease) in unrealized appreciation (depreciation) of investments	(8,664,782)	(331,873)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(11,396)	26,771
Transaction costs (Note 2)	<u>(151,057)</u>	<u>–</u>
Net gain (loss) on investments	<u>(355,952)</u>	<u>4,784,016</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 408,624</u>	<u>\$5,357,175</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.12</u>	<u>\$ 1.79</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$ 77,205,552	\$59,175,166
Increase (decrease) in net assets from operations	408,624	5,357,175
	<u>77,614,176</u>	<u>64,532,341</u>
Unit Transactions:		
Proceeds from issue	18,149,612	11,173,241
Payments on redemption	<u>(12,700,792)</u>	<u>(13,882,603)</u>
	5,448,820	(2,709,362)
Increase (decrease) in net assets	<u>5,857,444</u>	<u>2,647,813</u>
Net Assets, End of Period	<u>\$ 83,062,996</u>	<u>\$61,822,979</u>

Pinnacle Global Equity Fund (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)	No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)		
Austria (1.2%)				United States (44.7%)					
12,050	Erste Bank der Oesterreichischen Sparkassen AG	676,684	999,394	27,700	3M Co.	2,557,089	2,556,863		
Canada (2.3%)				30,300	Abbott Laboratories	1,598,354	1,725,680		
29,900	EnCana Corporation	752,618	1,954,120	11,023	Air Products and Chemicals Inc.	708,570	942,219		
Egypt (0.7%)				28,300	American International Group, Inc.	2,394,388	2,107,796		
8,600	Orascom Telecom holding SAE GDR	403,794	591,216	39,500	Analog Devices, Inc.	1,771,950	1,581,265		
France (6.8%)				16,700	Automatic Data Processing, Inc.	899,020	860,890		
9,606	Air Liquide SA	930,290	1,339,193	27,100	Caterpillar Inc.	1,117,181	2,256,779		
21,000	Dassault Systemes SA	1,472,786	1,403,531	68,500	Cisco Systems, Inc.	1,480,624	2,028,962		
16,700	L'Oréal SA	1,944,729	2,096,886	15,600	Colgate-Palmolive Company	1,102,780	1,075,951		
8,435	LVMH Moët Hennessy Louis Vuitton SA	836,556	1,032,798	35,200	eBay Inc.	1,156,129	1,204,722		
Hong Kong (4.3%)				28,700	Electronic Arts Inc.	1,669,295	1,444,391		
370,000	China Merchants Holdings International Company Limited	822,241	1,902,868	52,100	Emerson Electric Co.	2,176,741	2,593,233		
481,800	Li & Fung Ltd.	972,518	1,856,627	32,350	Exxon Mobil Corporation	2,167,667	2,885,963		
Indonesia (1.4%)				9,877	Genentech, Inc.	877,595	794,785		
25,800	PT Telekomunikasi Indonesia ADR	1,345,023	1,182,647	38,200	General Electric Company	1,587,713	1,555,225		
Japan (10.1%)				26,869	Medco Health Solutions, Inc.	1,482,245	2,228,684		
7,900	Fanuc Ltd.	841,778	863,639	31,550	Medtronic, Inc.	1,909,623	1,740,163		
71,900	JSR Corporation	1,976,725	1,837,476	14,900	Praxair, Inc.	671,019	1,140,818		
7,100	Keyence Corporation	1,571,531	1,648,666	22,900	QUALCOMM Incorporated	710,167	1,056,777		
940	Monex Beans Holdings, Inc.	1,010,664	829,934	5,900	Synthes, Inc.	768,336	751,512		
76,000	Nomura Holdings, Inc.	1,783,236	1,565,256	14,350	The Coca-Cola Company	834,090	798,352		
35,000	Sumitomo Realty & Development Co., Ltd.	644,419	1,206,717	49,350	Viacom Inc. Cl. B	2,162,467	2,185,001		
59,000	Yokogawa Electric Corporation	1,201,964	839,931	41,700	Walgreen Co.	2,053,027	1,931,001		
Korea (1.6%)				34,900	Wells Fargo & Company	1,320,902	1,305,437		
7,100	Kookmin Bank ADR	335,236	662,392	35,176,972					
2,170	Samsung Electronics Co., Ltd. GDR	566,451	713,642	38,752,469					
Mexico (2.3%)				Adjustment for Transaction Costs (Note 2)					
30,600	America Movil SA de CV Series L ADR	1,193,455	2,015,490	(89,160) —					
Netherlands (6.2%)				Total Investments (99.0%)					
37,300	Schlumberger Limited	1,537,832	3,369,606	70,847,755					
104,730	Qiagen NV	1,604,516	1,991,168	Foreign Currency Spot Contracts (Schedule 1) (0.0%)					
South Africa (1.2%)				2,100					
25,000	Sasol	663,869	1,003,327	Total Investment Portfolio (99.0%)					
Spain (1.4%)				85,772,987					
12,930	Bankinter SA	750,946	1,226,780	Other Assets, Less Liabilities (1.0%)					
Switzerland (7.1%)				863,961					
9,200	Alcon Inc.	1,187,830	1,320,049	Total Net Assets (100.0%)					
16,620	Nestlé SA ADR	1,388,016	1,680,220	86,634,848					
17,600	Novartis AG	1,003,322	1,051,387	Net Assets Per Unit					
5,700	Roche Holding AG	860,377	1,073,116	\$13.67					
10,950	Swiss Re	974,464	1,059,210	ADR – American Depository Receipt					
United Kingdom (7.7%)				GDR – Global Depository Receipt					
73,100	Pearson PLC	1,432,198	1,308,092	Schedule 1					
38,000	Rio Tinto PLC	1,590,489	3,084,298	Foreign Currency Spot Contracts Value					
66,600	Standard Chartered PLC	1,483,386	2,308,742	Contracts Pay Receive Due Date Credit Rating Market Value (\$)					
4,506,073				6,701,132					
				Spot Currency Contracts					
				1	158,594 U.S Dollar	169,711 Canadian Dollar	07/03/2007	AA	1,039
				1	162,004 U.S Dollar	173,360 Canadian Dollar	07/03/2007	AA	1,061
				Total Foreign Currency Spot Contracts Value				2,100	

Portfolio Advisor: Harding, Loevner Management, L.P.

The accompanying notes are an integral part of these financial statements.

-Percentages other than rates shown relate investments at market value to total net assets of the Fund.

-For equities, all common shares unless otherwise noted.

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$ 85,770,887	\$ 80,325,039
Cash	203,019	1,139,906
Receivable on open spot contracts	2,100	–
Subscriptions receivable	237,876	421,092
Receivable for securities sold	513,270	–
Accrued investment income	107,900	106,064
	<u>86,835,052</u>	<u>81,992,101</u>
Liabilities		
Redemptions payable	141,089	123,962
Accrued expenses	59,115	56,100
	<u>200,204</u>	<u>180,062</u>
Net assets representing unitholders' equity	<u>\$ 86,634,848</u>	<u>\$ 81,812,039</u>
Number of units outstanding	<u>6,337,292</u>	<u>6,037,596</u>
Net assets per unit	<u>\$ 13.67</u>	<u>\$ 13.55</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Dividends	\$ 891,026	\$ 695,933
Interest	6,019	4,450
Securities lending income	9,563	5,934
Less: Foreign withholding taxes	(110,774)	(39,862)
	<u>795,834</u>	<u>666,455</u>
Expenses		
Legal fees	1,108	–
Audit fees	8,855	8,046
Custody fees	13,173	10,165
Interest	–	1,872
Filing fees	6,643	6,456
Unitholder reporting costs	27,141	25,572
Unitholder administration, service fees and GST	83,860	75,021
	<u>140,780</u>	<u>127,132</u>
Net investment income (loss)	<u>655,054</u>	<u>539,323</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	2,836,798	1,092,245
Net realized gain (loss) on foreign exchange	(48,340)	(108,597)
Increase (decrease) in unrealized appreciation (depreciation) of investments	(2,745,409)	(343,491)
Increase (decrease) in unrealized appreciation (depreciation) of foreign exchange	(1,762)	(2,075)
Transaction costs (Note 2)	(33,616)	–
Net gain (loss) on investments	<u>7,671</u>	<u>638,082</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 662,725</u>	<u>\$ 1,177,405</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.11</u>	<u>\$ 0.20</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$ 81,812,039	\$ 67,758,504
Increase (decrease) in net assets from operations	662,725	1,177,405
	<u>82,474,764</u>	<u>68,935,909</u>
Unit Transactions:		
Proceeds from issue	13,917,560	11,306,161
Payments on redemption	(9,757,476)	(9,571,088)
	<u>4,160,084</u>	<u>1,735,073</u>
Increase (decrease) in net assets	<u>4,822,809</u>	<u>2,912,478</u>
Net Assets, End of Period	<u>\$ 86,634,848</u>	<u>\$ 70,670,982</u>

Pinnacle Balanced Income Portfolio (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Units	Issuer	Average Cost (\$)	Market Value (\$)
Mutual Funds (94.3%)			
252,280	Pinnacle American Core-Plus Bond Fund	1,973,651	1,829,028
54,100	Pinnacle Canadian Growth Equity Fund	883,312	938,643
20,084	Pinnacle Canadian Mid Cap Value Equity Fund	323,149	374,365
29,148	Pinnacle Canadian Value Equity Fund	563,110	654,086
34,026	Pinnacle Global Equity Fund	431,707	465,139
66,624	Pinnacle High Yield Income Fund	683,760	648,916
385,493	Pinnacle Income Fund	4,132,375	4,020,687
15,136	Pinnacle International Small to Mid Cap Value Equity Fund	340,271	369,931
	Total Investment Portfolio (94.3%)	<u>9,331,335</u>	9,300,795
	Other Assets, Less Liabilities (5.7%)		<u>561,869</u>
	Total Net Assets (100.0%)		<u>9,862,664</u>
	Net Assets Per Unit		\$10.47

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$9,300,795	\$ 6,924,369
Cash	572,087	215,492
Subscriptions receivable	43,451	693
Receivable for securities sold	–	139,704
Accrued investment income	15,137	–
	<u>9,931,470</u>	<u>7,280,258</u>
Liabilities		
Payable for securities purchased	47,818	2,645
Redemptions payable	1,540	–
Accrued expenses	19,448	28,279
	<u>68,806</u>	<u>30,924</u>
Net assets representing unitholders' equity	<u>\$9,862,664</u>	<u>\$ 7,249,334</u>
Number of units outstanding	<u>941,607</u>	<u>688,148</u>
Net assets per unit	<u>\$ 10.47</u>	<u>\$ 10.53</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$ 978	\$ 705
Income from underlying funds	144,281	66,113
	<u>145,259</u>	<u>66,818</u>
Expenses		
Management fees	90,406	35,159
Legal fees	1,652	–
Audit fees	4,512	7,054
Custody fees	8,893	4,959
Interest	–	9
Filing fees	6,643	6,456
Unitholder reporting costs	5,938	54
Unitholder administration, service fees and GST	11,237	9,668
	<u>129,281</u>	<u>63,359</u>
Rebated and absorbed expenses	(15,137)	(19,319)
Net expenses	<u>114,144</u>	<u>44,040</u>
Net investment income (loss)	<u>31,115</u>	<u>22,778</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	60,256	3,766
Increase (decrease) in unrealized appreciation (depreciation) of investments	(178,541)	(105,892)
Net gain (loss) on investments	<u>(118,285)</u>	<u>(102,126)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ (87,170)</u>	<u>\$ (79,348)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.10)</u>	<u>\$ (0.23)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
	\$7,249,334	\$2,152,163
Increase (decrease) in net assets from operations	(87,170)	(79,348)
	<u>7,162,164</u>	<u>2,072,815</u>
Unit Transactions:		
Proceeds from issue	5,217,674	3,498,341
Payments on redemption	(2,517,174)	(32,901)
	<u>2,700,500</u>	<u>3,465,440</u>
Increase (decrease) in net assets	<u>2,613,330</u>	<u>3,386,092</u>
Net Assets, End of Period	<u>\$9,862,664</u>	<u>\$5,538,255</u>

Pinnacle Conservative Balanced Growth Portfolio (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Units	Issuer	Average Cost (\$)	Market Value (\$)
Mutual Funds (99.0%)			
309,754	Pinnacle American Large Cap Growth Equity Fund	2,233,391	2,301,469
196,588	Pinnacle American Value Equity Fund	2,135,729	2,288,288
684,936	Pinnacle Canadian Growth Equity Fund	11,170,227	11,883,646
126,494	Pinnacle Canadian Mid Cap Value Equity Fund	1,998,777	2,357,840
132,859	Pinnacle Canadian Small Cap Equity Fund	2,647,381	3,221,837
353,592	Pinnacle Canadian Value Equity Fund	6,673,817	7,934,600
338,496	Pinnacle Global Equity Fund	4,225,718	4,627,239
311,318	Pinnacle Global Real Estate Securities Fund	5,648,055	5,706,457
714,292	Pinnacle High Yield Income Fund	7,336,808	6,957,207
2,317,684	Pinnacle Income Fund	24,884,220	24,173,447
288,717	Pinnacle International Equity Fund	3,510,263	3,839,936
93,542	Pinnacle International Small to Mid Cap Value Equity Fund	2,031,810	2,286,169
Total Investment Portfolio (99.0%)		<u>74,496,196</u>	<u>77,578,135</u>
Other Assets, Less Liabilities (1.0%)			796,032
Total Net Assets (100.0%)			<u>78,374,167</u>
Net Assets Per Unit			\$11.48

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$77,578,135	\$ 55,003,999
Cash	821,580	1,745,636
Subscriptions receivable	363,874	259,344
Receivable for securities sold	72,181	–
	<u>78,835,770</u>	<u>57,008,979</u>
Liabilities		
Payable for securities purchased	251,190	824,988
Redemptions payable	68,628	77,105
Accrued expenses	141,785	74,170
	<u>461,603</u>	<u>976,263</u>
Net assets representing unitholders' equity	<u>\$78,374,167</u>	<u>\$ 56,032,716</u>
Number of units outstanding	<u>6,829,141</u>	<u>4,947,358</u>
Net assets per unit	<u>\$ 11.48</u>	<u>\$ 11.33</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$ 3,623	\$ 5,697
Income from underlying funds	747,605	298,711
	<u>751,228</u>	<u>304,408</u>
Expenses		
Management fees	765,005	325,239
Legal fees	1,652	–
Audit fees	4,512	7,054
Custody fees	20,903	9,917
Interest	–	73
Filing fees	6,643	6,456
Unitholder reporting costs	8,744	418
Unitholder administration, service fees and GST	15,708	10,879
	<u>823,167</u>	<u>360,036</u>
Net investment income (loss)	<u>(71,939)</u>	<u>(55,628)</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	319,235	37,306
Increase (decrease) in unrealized appreciation (depreciation) of investments	422,609	5,985
	<u>741,844</u>	<u>43,291</u>
Net gain (loss) on investments	<u>741,844</u>	<u>43,291</u>
Increase (Decrease) in Net Assets from Operations		
	<u>\$669,905</u>	<u>\$ (12,337)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.11</u>	<u>\$ –</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
	\$56,032,716	\$17,685,034
Increase (decrease) in net assets from operations	669,905	(12,337)
	<u>56,702,621</u>	<u>17,672,697</u>
Unit Transactions:		
Proceeds from issue	25,280,288	23,139,417
Payments on redemption	(3,608,742)	(3,515,883)
	<u>21,671,546</u>	<u>19,623,534</u>
Increase (decrease) in net assets	<u>22,341,451</u>	<u>19,611,197</u>
Net Assets, End of Period	<u>\$78,374,167</u>	<u>\$37,296,231</u>

Pinnacle Balanced Growth Portfolio (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Shares	Issuer	Average Cost (\$)	Market Value (\$)
Mutual Funds (96.7%)			
422,767	Pinnacle American Core-Plus Bond Fund	3,321,036	3,065,062
141,902	Pinnacle American Large Cap Growth Equity Fund	1,053,833	1,054,335
31,508	Pinnacle American Mid Cap Growth Equity Fund	486,303	499,406
55,515	Pinnacle American Value Equity Fund	634,916	646,196
123,767	Pinnacle Canadian Growth Equity Fund	2,030,737	2,147,352
35,393	Pinnacle Canadian Mid Cap Value Equity Fund	568,591	659,718
20,755	Pinnacle Canadian Small Cap Equity Fund	420,858	503,319
66,027	Pinnacle Canadian Value Equity Fund	1,276,555	1,481,654
35,939	Pinnacle Global Equity Fund	458,473	491,280
84,119	Pinnacle High Yield Income Fund	862,686	819,323
252,968	Pinnacle Income Fund	2,715,639	2,638,454
116,754	Pinnacle International Equity Fund	1,448,844	1,552,835
33,210	Pinnacle International Small to Mid Cap Value Equity Fund	739,111	811,649
Total Investment Portfolio (96.7%)		<u>16,017,582</u>	16,370,583
Other Assets, Less Liabilities (3.3%)			557,253
Total Net Assets (100.0%)			<u>16,927,836</u>
Net Assets Per Unit			\$11.13

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$16,370,583	\$ 10,384,519
Cash	565,814	181,743
Subscriptions receivable	289,351	–
Receivable for securities sold	–	262,077
Accrued investment income	9,984	–
	<u>17,235,732</u>	<u>10,828,339</u>
Liabilities		
Payable for securities purchased	257,587	93,599
Redemptions payable	18,789	–
Accrued expenses	31,520	33,026
	<u>307,896</u>	<u>126,625</u>
Net assets representing unitholders' equity	<u>\$16,927,836</u>	<u>\$ 10,701,714</u>
Number of units outstanding	<u>1,520,591</u>	<u>960,056</u>
Net assets per unit	<u>\$ 11.13</u>	<u>\$ 11.15</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$ 1,166	\$ 1,064
Income from underlying funds	121,412	52,272
	<u>122,578</u>	<u>53,336</u>
Expenses		
Management fees	158,362	61,203
Legal fees	1,652	–
Audit fees	4,512	7,054
Custody fees	15,923	8,679
Interest	–	14
Filing fees	6,643	6,456
Unitholder reporting costs	6,028	83
Unitholder administration, service fees and GST	11,588	10,006
	<u>204,708</u>	<u>93,495</u>
Rebated and absorbed expenses	(9,984)	(18,674)
Net expenses	<u>194,724</u>	<u>74,821</u>
Net investment income (loss)	<u>(72,146)</u>	<u>(21,485)</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	95,037	3,213
Increase (decrease) in unrealized appreciation (depreciation) of investments	(103,604)	(59,114)
	<u>(8,567)</u>	<u>(55,901)</u>
Net gain (loss) on investments	<u>(8,567)</u>	<u>(55,901)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ (80,713)</u>	<u>\$ (77,386)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ (0.06)</u>	<u>\$ (0.15)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
	\$10,701,714	\$3,001,456
Increase (decrease) in net assets from operations	(80,713)	(77,386)
	<u>10,621,001</u>	<u>2,924,070</u>
Unit Transactions:		
Proceeds from issue	7,365,782	4,369,468
Payments on redemption	(1,058,947)	(328,301)
	<u>6,306,835</u>	<u>4,041,167</u>
Increase (decrease) in net assets	<u>6,226,122</u>	<u>3,963,781</u>
Net Assets, End of Period	<u>\$16,927,836</u>	<u>\$6,965,237</u>

Pinnacle Conservative Growth Portfolio (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Units	Issuer	Average Cost (\$)	Market Value (\$)
Mutual Funds (96.6%)			
118,526	Pinnacle American Large Cap Growth Equity Fund	856,339	880,649
45,198	Pinnacle American Value Equity Fund	491,693	526,101
258,110	Pinnacle Canadian Growth Equity Fund	4,204,673	4,478,202
47,958	Pinnacle Canadian Mid Cap Value Equity Fund	763,684	893,928
37,485	Pinnacle Canadian Small Cap Equity Fund	750,768	909,019
135,284	Pinnacle Canadian Value Equity Fund	2,565,175	3,035,775
65,028	Pinnacle Global Equity Fund	815,579	888,928
93,028	Pinnacle Global Real Estate Securities Fund	1,670,376	1,705,202
91,287	Pinnacle High Yield Income Fund	935,842	889,132
257,363	Pinnacle Income Fund	2,756,692	2,684,300
36,097	Pinnacle International Small to Mid Cap Value Equity Fund	791,165	882,216
	Total Investment Portfolio (96.6%)	<u>16,601,986</u>	<u>17,773,452</u>
	Other Assets, Less Liabilities (3.4%)		<u>626,874</u>
	Total Net Assets (100.0%)		<u>18,400,326</u>
	Net Assets Per Unit		\$12.42

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$17,773,452	\$ 12,739,002
Cash	826,843	582,889
Subscriptions receivable	125,629	2,595
Accrued investment income	4,305	–
	<u>18,730,229</u>	<u>13,324,486</u>
Liabilities		
Payable for securities purchased	288,100	28,567
Redemptions payable	590	5,498
Accrued expenses	41,213	37,718
	<u>329,903</u>	<u>71,783</u>
Net assets representing unitholders' equity	<u>\$18,400,326</u>	<u>\$ 13,252,703</u>
Number of units outstanding	<u>1,481,772</u>	<u>1,097,647</u>
Net assets per unit	<u>\$ 12.42</u>	<u>\$ 12.07</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$ 1,391	\$ 1,560
Income from underlying funds	85,459	42,347
	<u>86,850</u>	<u>43,907</u>
Expenses		
Management fees	200,654	103,771
Legal fees	1,652	–
Audit fees	4,512	7,054
Custody fees	13,125	7,439
Interest	–	19
Filing fees	6,643	6,456
Unitholder reporting costs	6,258	105
Unitholder administration, service fees and GST	11,694	10,008
	<u>244,538</u>	<u>134,852</u>
Rebated and absorbed expenses	(4,305)	(10,877)
Net expenses	<u>240,233</u>	<u>123,975</u>
Net investment income (loss)	<u>(153,383)</u>	<u>(80,068)</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	167,217	14,370
Increase (decrease) in unrealized appreciation (depreciation) of investments	<u>374,887</u>	<u>68,092</u>
Net gain (loss) on investments	<u>542,104</u>	<u>82,462</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 388,721</u>	<u>\$ 2,394</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.30</u>	<u>\$ –</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period		
	\$13,252,703	\$ 4,777,797
Increase (decrease) in net assets from operations	<u>388,721</u>	<u>2,394</u>
	<u>13,641,424</u>	<u>4,780,191</u>
Unit Transactions:		
Proceeds from issue	6,178,626	6,536,002
Payments on redemption	<u>(1,419,724)</u>	<u>(605,900)</u>
	<u>4,758,902</u>	<u>5,930,102</u>
Increase (decrease) in net assets	<u>5,147,623</u>	<u>5,932,496</u>
Net Assets, End of Period	<u>\$18,400,326</u>	<u>\$10,710,293</u>

Pinnacle Growth Portfolio (Unaudited)

Statement of Investment Portfolio as at June 30, 2007

No. of Units	Issuer	Average Cost (\$)	Market Value (\$)
Mutual Funds (97.0%)			
111,805	Pinnacle American Large Cap Growth Equity Fund	806,159	830,713
21,152	Pinnacle American Mid Cap Growth Equity Fund	324,938	335,261
28,081	Pinnacle American Mid Cap Value Equity Fund	294,896	312,540
49,096	Pinnacle American Value Equity Fund	538,620	571,480
72,726	Pinnacle Canadian Growth Equity Fund	1,183,531	1,261,790
19,641	Pinnacle Canadian Mid Cap Value Equity Fund	311,394	366,106
15,245	Pinnacle Canadian Small Cap Equity Fund	308,661	369,689
42,141	Pinnacle Canadian Value Equity Fund	825,058	945,639
83,486	Pinnacle Global Equity Fund	1,053,728	1,141,249
28,427	Pinnacle Global Real Estate Securities Fund	521,720	521,075
52,867	Pinnacle High Yield Income Fund	539,856	514,921
149,436	Pinnacle Income Fund	1,602,585	1,558,616
89,966	Pinnacle International Equity Fund	1,111,208	1,196,545
21,283	Pinnacle International Small to Mid Cap Value Equity Fund	504,406	520,151
	Total Investment Portfolio (97.0%)	<u>9,926,760</u>	10,445,775
	Other Assets, Less Liabilities (3.0%)		324,810
	Total Net Assets (100.0%)		<u>10,770,585</u>
	Net Assets Per Unit		\$11.73

Statement of Net Assets as at

	June 30, 2007	December 31, 2006
Assets		
Investments at market value (Note 2)	\$10,445,775	\$ 8,774,447
Cash	269,040	201,708
Subscriptions receivable	27,034	7,358
Receivable for securities sold	212,115	178,698
Accrued investment income	21,543	–
	<u>10,975,507</u>	<u>9,162,211</u>
Liabilities		
Payable for securities purchased	176,062	16,975
Redemptions payable	–	4,826
Accrued expenses	28,860	32,363
	<u>204,922</u>	<u>54,164</u>
Net assets representing unitholders' equity	<u>\$10,770,585</u>	<u>\$ 9,108,047</u>
Number of units outstanding	<u>917,917</u>	<u>782,872</u>
Net assets per unit	<u>\$ 11.73</u>	<u>\$ 11.63</u>

Statement of Operations for the six month period ended June 30,

	2007	2006
Investment Income		
Interest	\$ 811	\$ 936
Income from underlying funds	55,592	24,181
	<u>56,403</u>	<u>25,117</u>
Expenses		
Management fees	137,974	52,792
Legal fees	1,652	–
Audit fees	4,512	7,054
Custody fees	17,812	7,439
Interest	–	8
Filing fees	6,643	6,456
Unitholder reporting costs	6,295	38
Unitholder administration, service fees and GST	12,252	9,825
	<u>187,140</u>	<u>83,612</u>
Rebated and absorbed expenses	(21,543)	(20,540)
Net expenses	165,597	63,072
Net investment income (loss)	<u>(109,194)</u>	<u>(37,955)</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on investments	250,515	8,621
Increase (decrease) in unrealized appreciation (depreciation) of investments	(50,677)	(86,257)
	<u>199,838</u>	<u>(77,636)</u>
Net gain (loss) on investments	<u>199,838</u>	<u>(77,636)</u>
Increase (Decrease) in Net Assets from Operations	<u>\$ 90,644</u>	<u>\$(115,591)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 0.10</u>	<u>\$ (0.30)</u>

Statement of Changes in Net Assets for the six month period ended June 30,

	2007	2006
Net Assets, Beginning of Period	\$ 9,108,047	\$ 1,338,650
Increase (decrease) in net assets from operations	90,644	(115,591)
	<u>9,198,691</u>	<u>1,223,059</u>
Unit Transactions:		
Proceeds from issue	4,189,485	5,664,532
Payments on redemption	(2,617,591)	(385,376)
	<u>1,571,894</u>	<u>5,279,156</u>
Increase (decrease) in net assets	<u>1,662,538</u>	<u>5,163,565</u>
Net Assets, End of Period	<u>\$10,770,585</u>	<u>\$ 6,502,215</u>

Notes to the Financial Statements

1. The Funds

The following funds are referred to herein individually as a “Fund” and collectively as the “Funds”. The Funds listed below are open-ended mutual fund trusts.

Fund	Inception Date
Pinnacle Short Term Income Fund	3-Sep-97
Pinnacle Income Fund	3-Sep-97
Pinnacle High Yield Income Fund	3-Sep-97
Pinnacle American Core-Plus Bond Fund	28-Jan-02
Pinnacle Global Real Estate Securities Fund	28-Jan-02
Pinnacle Strategic Balanced Fund	3-Sep-97
Pinnacle Canadian Value Equity Fund	3-Sep-97
Pinnacle Canadian Mid Cap Value Equity Fund	28-Jan-02
Pinnacle Canadian Growth Equity Fund	3-Sep-97
Pinnacle Canadian Small Cap Equity Fund	3-Sep-97
Pinnacle American Value Equity Fund	3-Sep-97
Pinnacle American Mid Cap Value Equity Fund	28-Jan-02
Pinnacle American Large Cap Growth Equity Fund	18-Jan-01
Pinnacle American Mid Cap Growth Equity Fund	3-Sep-97
Pinnacle International Equity Fund	3-Sep-97
Pinnacle International Small to Mid Cap Value Equity Fund	28-Jan-02
Pinnacle Global Equity Fund	3-Sep-97
(the “Pinnacle Funds”)	
Pinnacle Balanced Income Portfolio	22-Apr-05
Pinnacle Conservative Balanced Growth Portfolio	22-Apr-05
Pinnacle Balanced Growth Portfolio	22-Apr-05
Pinnacle Conservative Growth Portfolio	22-Apr-05
Pinnacle Growth Portfolio	22-Apr-05
(the “Pinnacle Portfolios”)	

Scotia Capital Inc. is the manager, trustee and principal distributor of the Pinnacle Funds and is the manager and trustee of the Pinnacle Portfolios. The custodian for the Funds is State Street Trust Company (Canada).

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). In applying GAAP, Scotia Capital Inc. (the “Manager”) may make estimates and assumptions that may affect the reported amounts in the financial statements. Actual results may differ from such estimates. The notes to these interim financial statements are presented in a summarized format and should be read in conjunction with the Funds’ December 31, 2006 annual financial statements. Accounting policies applied in preparing the semi-annual financial statements are consistent with those used in preparing the annual financial statements except for the following:

(a) Effective October 1, 2006, the Canadian Institute of Chartered Accountants (“CICA”) enacted Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook. Section 3855 requires measurement of actively traded securities to be based on the bid price for the security. Prior to that fair value for GAAP was based on the last traded price for the day. Subsequently investments are recorded at a market value established by the bid price for a security on the recognized exchange on which it is principally traded. Securities with no available bid, or a quoted value determined by the Manager to be inaccurate or unreliable, are valued at their closing price. The market value of unlisted securities is established using quotations determined by a major dealer in a particular security. The impact of the initial adoption of the new valuation policy has been disclosed in the Statement of Changes in Net Assets for the period ended June 30, 2007.

(b) In accordance with Section 3855, transaction costs directly attributable to the acquisition or disposal of an investment are expensed and are included in “Transaction costs” in the Statement of Operations. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchase or proceeds from sale of investments. The investment cost of each security is determined on an average cost basis, excluding all commissions.

The Canadian Securities Administrators (“CSA”) have granted relief to investment funds from complying on an interim basis with Section 3855 for up to a one year period ending September 30, 2007 for purposes other than financial statement reporting. In

accordance with the terms of the relief, a reconciliation between the purchase and redemption price of an investment fund (“Pricing NAV”) and the net assets calculated in accordance with Section 3855 (“GAAP Net Assets”) is required in the notes to the financial statements. The following table displays the impact of Section 3855 by Fund as at June 30, 2007:

Fund	Pricing NAV Per Unit (\$)	Section 3855 Per Unit Adjustment (\$)	GAAP Net Assets Per Unit (\$)
Pinnacle Short Term Income Fund	\$ 10.00	\$ –	\$ 10.00
Pinnacle Income Fund	\$ 10.43	\$ –	\$ 10.43
Pinnacle High Yield Income Fund	\$ 9.74	\$ (0.03)	\$ 9.71
Pinnacle American Core-Plus Bond Fund	\$ 7.25	\$ (0.01)	\$ 7.24
Pinnacle Global Real Estate Securities Fund	\$ 18.33	\$ –	\$ 18.33
Pinnacle Strategic Balanced Fund	\$ 17.10	\$ (0.03)	\$ 17.07
Pinnacle Canadian Value Equity Fund	\$ 22.44	\$ (0.05)	\$ 22.39
Pinnacle Canadian Mid Cap Value Equity Fund	\$ 18.64	\$ (0.08)	\$ 18.56
Pinnacle Canadian Growth Equity Fund	\$ 17.35	\$ (0.06)	\$ 17.29
Pinnacle Canadian Small Cap Equity Fund	\$ 24.25	\$ (0.13)	\$ 24.12
Pinnacle American Value Equity Fund	\$ 11.64	\$ (0.01)	\$ 11.63
Pinnacle American Mid Cap Value Equity Fund	\$ 11.13	\$ (0.01)	\$ 11.12
Pinnacle American Large Cap Growth Equity Fund	\$ 7.43	\$ –	\$ 7.43
Pinnacle American Mid Cap Growth Equity Fund	\$ 15.85	\$ (0.01)	\$ 15.84
Pinnacle International Equity Fund	\$ 13.30	\$ –	\$ 13.30
Pinnacle International Small to Mid Cap Value Equity Fund	\$ 24.44	\$ –	\$ 24.44
Pinnacle Global Equity Fund	\$ 13.67	\$ –	\$ 13.67
Pinnacle Balanced Income Portfolio	\$ 10.47	\$ –	\$ 10.47
Pinnacle Conservative Balanced Growth Portfolio	\$ 11.48	\$ –	\$ 11.48
Pinnacle Balanced Growth Portfolio	\$ 11.13	\$ –	\$ 11.13
Pinnacle Conservative Growth Portfolio	\$ 12.42	\$ –	\$ 12.42
Pinnacle Growth Portfolio	\$ 11.73	\$ –	\$ 11.73

3. Income Taxes

The Funds qualify as mutual fund trusts under the Income Tax Act (Canada). In accordance with the terms of the Funds' declaration of trust, it is intended that all of the net income for tax purposes and sufficient net realized capital gains will be paid or payable to unitholders in the taxation year so that no income tax is payable by the Funds (after taking into account applicable capital gains refunds). In the event income taxes are paid by the Funds, these are reflected in administrative expenses.

The following Funds have net capital and/or non-capital loss carry forwards as at December 15, 2006. Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be applied against future taxable income, and will expire on the date indicated.

Fund	Gross Capital Loss	Non-Capital Loss	Expiry Date
Pinnacle American Core-Plus Bond Fund	\$ 8,910,212	\$ –	–
Pinnacle Canadian Value Equity Fund	\$ 5,978,739	\$ –	–
Pinnacle American Value Equity Fund	\$ 23,092,698	\$ –	–
Pinnacle American Large Cap Growth Equity Fund	\$ 13,863,317	\$ –	–
Pinnacle American Mid Cap Growth Equity Fund	\$ 51,427,270	\$ 102,003	December 15, 2008
Pinnacle American Mid Cap Growth Equity Fund	\$ –	\$ 62,374	December 15, 2009
Pinnacle American Mid Cap Growth Equity Fund	\$ –	\$ 202,890	December 15, 2010
Pinnacle American Mid Cap Growth Equity Fund	\$ –	\$ 109,856	December 15, 2015
Pinnacle American Mid Cap Growth Equity Fund	\$ –	\$ 24,623	December 15, 2016
Pinnacle International Equity Fund	\$ 26,864,550	\$ –	–
Pinnacle Global Equity Fund	\$ 25,870,036	\$ –	–

4. Distributions to Unitholders

It is the policy of the Funds to make distributions to unitholders as follows:

Pinnacle Short Term Income Fund

The taxable net investment income is allocated on a daily basis and distributed to unitholders on a monthly basis.

Pinnacle Income Fund, Pinnacle High Yield Income Fund, Pinnacle American Core-Plus Bond Fund and Pinnacle Strategic Balanced Fund

The taxable net investment income is allocated and distributed to unitholders on a quarterly basis. The net realized capital gains are distributed to unitholders annually.

Pinnacle Global Real Estate Securities Fund, Pinnacle Canadian Value Equity Fund, Pinnacle Canadian Mid Cap Value Equity Fund, Pinnacle Canadian Growth Equity Fund, Pinnacle Canadian Small Cap Equity Fund, Pinnacle American Value Equity Fund, Pinnacle American Mid Cap Value Equity Fund, Pinnacle American Large Cap Growth Equity Fund, Pinnacle American Mid Cap Growth Equity Fund, Pinnacle International Equity Fund, Pinnacle International Small to Mid Cap Value Equity Fund, Pinnacle Global Equity Fund, Pinnacle Balanced Income Portfolio, Pinnacle Conservative Balanced Growth Portfolio, Pinnacle Balanced Growth Portfolio, Pinnacle Conservative Growth Portfolio and Pinnacle Growth Portfolio.

The taxable net investment income and the net realized capital gains are distributed to unitholders annually.

The distributions are reinvested in additional units of the Funds unless a unitholder elects to receive his or her proportionate share of any distributions in cash.

5. Unitholders' Equity

The Funds have an unlimited number of units authorized (no par value) for issue. Unitholders have the right under the Funds' declaration of trust to require the Trustee to redeem their units at the current net asset value per unit as described in the Funds' simplified prospectuses.

For the six month period ended June 30, 2007 and June 30, 2006, the following numbers of units were issued and redeemed:

Fund	2007		2006	
	Units issued (i)	Units redeemed (ii)	Units issued (i)	Units redeemed (ii)
Pinnacle Short Term Income Fund	633,251	391,892	746,144	944,448
Pinnacle Income Fund	8,696,987	2,347,533	5,489,843	1,352,915
Pinnacle High Yield Income Fund	4,083,490	1,798,052	2,575,993	1,164,125
Pinnacle American Core-Plus Bond Fund	2,741,667	871,085	2,025,463	923,916
Pinnacle Global Real Estate Securities Fund	1,242,515	804,290	847,184	655,285
Pinnacle Strategic Balanced Fund	1,036,987	947,442	NA	NA
Pinnacle Canadian Value Equity Fund	1,251,666	755,316	856,105	1,023,464
Pinnacle Canadian Mid Cap Value Equity Fund	535,879	420,993	434,345	455,779
Pinnacle Canadian Growth Equity Fund	2,032,493	1,435,460	1,277,941	1,364,352
Pinnacle Canadian Small Cap Equity Fund	817,326	566,411	595,996	553,379
Pinnacle American Value Equity Fund	1,143,665	798,212	793,770	913,132
Pinnacle American Mid Cap Value Equity Fund	247,816	255,657	330,331	302,949
Pinnacle American Large Cap Growth Equity Fund	2,048,859	884,709	1,556,332	912,127
Pinnacle American Mid Cap Growth Equity Fund	507,135	261,056	391,067	352,377
Pinnacle International Equity Fund	1,597,167	901,817	1,153,931	1,086,323
Pinnacle International Small to Mid Cap Value Equity Fund	729,840	510,372	525,099	638,589
Pinnacle Global Equity Fund	1,004,736	705,040	941,444	793,309
Pinnacle Balanced Income Portfolio	490,930	237,471	341,448	3,240
Pinnacle Conservative Balanced Growth Portfolio	2,194,040	312,257	2,151,038	327,624
Pinnacle Balanced Growth Portfolio	654,431	93,896	412,625	30,944
Pinnacle Conservative Growth Portfolio	499,533	115,408	581,165	53,598
Pinnacle Growth Portfolio	356,185	221,140	522,267	35,042

(i) Includes reinvested distributions

(ii) Included in units redeemed are redemptions related to payments of the Pinnacle Program Fee, where applicable.

6. Operating Expenses

The Funds are responsible for all expenses relating to the operations and conduct of business of the Funds. These expenses include: taxes, interest, brokerage commissions for the purchase and sale of portfolio securities, legal, audit, trustee, custodial and safekeeping fees, administrative costs, investor servicing costs, and the cost of reports and prospectuses.

The ratio of operating expenses (excluding taxes, interest and brokerage commissions) expressed as a percentage of the average daily net assets of the respective Fund is referred to as the "operating expense ratio". The operating expense ratio of each Pinnacle Fund may not exceed 0.50% on an annualized basis as specified in the Pinnacle Funds' simplified prospectus.

7. Pinnacle Program Fee

Each unitholder of the Pinnacle Funds has agreed to pay, on a quarterly basis, a negotiated asset based fee for all services in respect of their investment in the Pinnacle Funds. These fees are paid to the Manager by redemption of units held in the Pinnacle Funds, unless otherwise determined by the Manager.

8. Management Fees – Pinnacle Portfolios

The Pinnacle Portfolios' management fees are calculated and paid daily. The Manager is entitled to a maximum annual management fee as follows:

Portfolio	Maximum Annual Management Fee (%)
Pinnacle Balanced Income Portfolio	1.85%
Pinnacle Conservative Balanced Growth Portfolio	2.10%
Pinnacle Balanced Growth Portfolio	2.10%
Pinnacle Conservative Growth Portfolio	2.40%
Pinnacle Growth Portfolio	2.40%

9. Securities Lending

The Pinnacle Funds have entered into a securities lending program with their custodian, State Street Trust Company (Canada). The aggregate market value of all securities loaned by a Pinnacle Fund cannot exceed 50% of the net assets of the Pinnacle Fund. The Pinnacle Funds receive collateral of at least 102% of the value of the securities on loan. Collateral is received in the form of debt obligations of the Government of Canada, Canadian provincial and municipal governments or financial institutions, and is not included in the Statements of Investment Portfolio. The aggregated dollar values of the securities that are on loan and the collateral received by the Pinnacle Funds as at June 30, 2007 are as follows:

Fund	Market Value of Securities Loaned	Market Value of Collateral Received
Pinnacle Income Fund	\$ 110,394,038	\$ 118,030,583
Pinnacle High Yield Income Fund	\$ 8,619,369	\$ 9,176,062
Pinnacle Global Real Estate Securities Fund	\$ 11,031,263	\$ 11,614,115
Pinnacle Strategic Balanced Fund	\$ 5,473,294	\$ 5,795,567
Pinnacle Canadian Value Equity Fund	\$ 12,794,093	\$ 13,469,165
Pinnacle Canadian Mid Cap Value Equity Fund	\$ 5,137,462	\$ 5,401,832
Pinnacle Canadian Growth Equity Fund	\$ 27,666,856	\$ 29,137,558
Pinnacle Canadian Small Cap Equity Fund	\$ 1,446,995	\$ 1,522,880
Pinnacle American Value Equity Fund	\$ 8,117,507	\$ 8,536,619
Pinnacle American Large Cap Growth Equity Fund	\$ 2,154,939	\$ 2,268,035
Pinnacle American Mid Cap Growth Equity Fund	\$ 3,229,211	\$ 3,401,557
Pinnacle American Mid Cap Value Equity Fund	\$ 354,582	\$ 373,450
Pinnacle International Equity Fund	\$ 3,425,481	\$ 3,599,483
Pinnacle International Small to Mid Cap Value Equity Fund	\$ 1,552,524	\$ 1,657,586
Pinnacle Global Equity Fund	\$ 6,710,542	\$ 7,150,586

10. Soft Dollars

The ascertainable soft dollar commissions in connection with investment portfolio transactions for the six month period June 30, 2007 and June 30, 2006 are set out below.

Fund	2007 Soft Dollars	2006 Soft Dollars
Pinnacle Short Term Income Fund	\$ —	\$ —
Pinnacle Income Fund	\$ —	\$ —
Pinnacle High Yield Income Fund	\$ —	\$ —
Pinnacle American Core-Plus Bond Fund	\$ —	\$ —
Pinnacle Global Real Estate Securities Fund	\$ 5,871	\$ —
Pinnacle Strategic Balanced Fund	\$ 2,759	\$ 2,101
Pinnacle Canadian Value Equity Fund	\$ —	\$ —
Pinnacle Canadian Mid Cap Value Equity Fund	\$ —	\$ —
Pinnacle Canadian Growth Equity Fund	\$ 9,485	\$ 6,194
Pinnacle Canadian Small Cap Equity Fund	\$ —	\$ 4,361
Pinnacle American Value Equity Fund	\$ —	\$ —
Pinnacle American Mid Cap Value Equity Fund	\$ —	\$ —
Pinnacle American Large Cap Growth Equity Fund	\$ —	\$ —
Pinnacle American Mid Cap Growth Equity Fund	\$ 3,203	\$ 5,416
Pinnacle International Equity Fund	\$ 2,646	\$ 3,150
Pinnacle International Small to Mid Cap Value Equity Fund	\$ 676	\$ —
Pinnacle Global Equity Fund	\$ 3,215	\$ 20,885
Pinnacle Balanced Income Portfolio	\$ —	\$ —
Pinnacle Conservative Balanced Growth Portfolio	\$ —	\$ —
Pinnacle Balanced Growth Portfolio	\$ —	\$ —
Pinnacle Conservative Growth Portfolio	\$ —	\$ —
Pinnacle Growth Portfolio	\$ —	\$ —

Soft dollar commissions are arrangements pursuant to which products or services, other than execution of portfolio securities transactions, are obtained by an adviser from or through a broker-dealer in exchange for directing client portfolio transactions to the broker-dealer.

11. Significant Subsequent Events

Effective October 22, 2007 Citigroup Alternative Investments LLC will replace AllianceBernstein Canada, Inc. as portfolio advisor for the Pinnacle Global Real Estate Securities Fund.

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